

# Comprehensive Annual Financial Report



*CITY OF ARCHDALE*  
NORTH CAROLINA

For The  
Fiscal Year Ended  
June 30, 2009

Prepared by the  
City of Archdale  
Finance Department



## CITY OF ARCHDALE, NORTH CAROLINA

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## CITY OF ARCHDALE

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September 24, 2009

To the Honorable Mayor Bert Lance-Stone,  
Members of the City Council, and  
Citizens of the City of Archdale

The Comprehensive Annual Financial Report of the City of Archdale, North Carolina for the fiscal year ended June 30, 2009 is presented herewith for your review. This report is presented by the management of the City of Archdale, which is responsible for the completeness and reliability of the information included in this report.

Chapter 15 of the North Carolina General Statutes, the Budget and Fiscal Control Act, requires that units of local government have their accounts audited as soon as possible after the close of each fiscal year by a certified public accountant. The required report shall have a complete set of financial statements prepared in accordance with generally accepted accounting principles, all disclosures in the public interest required by law, and the auditors' opinion and comments relating to the financial statements. The audited financial report is submitted to the Local Government Commission (LGC), which is established by statute to oversee local government financial affairs. The LGC approves all audit contracts and subsequent payments of audit fees for audits of local government units. The LGC is authorized to issue rules and regulations concerning such audits.

The City's financial position and results of operations reported in the government-side and fund financial statements and notes to the financial statements have been audited by the independent, certified public accounting firm of S. Preston Douglas & Associates. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City, for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on the audit, that there was reasonable basis for rendering an

unqualified opinion that the City's basic financial statements for the year ended June 30, 2009 were presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## DESCRIPTION OF THE CITY

The City celebrated the 40<sup>th</sup> anniversary of its incorporation in conjunction with the annual community Fourth of July Celebration on July 4, 2009. City Council adopted a new vision statement:

*Archdale: crossroad of progress. A community strategically located in the heart of North Carolina that treasures its heritage, conveys a positive image and embraces the future by promoting a progressive environment for families, businesses and civic organizations to prosper through careful stewardship of its natural, cultural, human and financial resources.*

Archdale is conveniently located with City limits adjoining High Point and just 12 miles down I-85 from Greensboro, giving the City a partly urban and partly rural character. Archdale is located primarily in Randolph County, with a portion extending into Guilford County. These counties are part of the Piedmont Triad region, with the Blue Ridge Mountains about 100 miles to the west and the Atlantic Ocean within 200 miles to the east. Randolph County is home to the North Carolina Zoological Park, the Uwharrie National Forest, and internationally known Seagrove area potteries. The area's economic base is transitioning to technology based and value added manufacturing from the more traditional manufacturing industries of textiles and furniture.

The community is home to many large organizations. For example, the corporate offices of Sealy moved to Archdale in 1999. In addition, Thomas Built Buses, the largest supplier of school buses in the world, is located both in Archdale and in High Point at the city limit. Many other businesses, including Hafele America Company and Hubbell Industrial Controls, Inc. are located in our two industrial parks. Archdale is also home to several furniture industry companies, including Stickley Furniture and United Furniture Industries.

One of the most appreciated aspects of the City is Creekside Park, our 100+ acre City Park which includes ball fields, playgrounds, tennis courts, greenways and a disc golf course. Located in the expansive Creekside Park campus, you will also find the Archdale Public Library, the Senior Center, and the Archdale branch of the Randolph Community College. Several annual events are sponsored by the Archdale Parks and Recreation Department at Creekside Park, including Fabulous Fourth of July, Halloween Carnival, Creekside Christmas, and an Easter Egg Hunt. The City also is a sponsor for Archdale-Trinity Chamber of Commerce's Bush Hill Heritage Festival held each September.

Archdale is proud of the quality of education offered by the area schools and boasts several schools that have achieved the status of "School of Excellence". There are several institutions of higher education within easy access of Archdale. The University of North Carolina at Greensboro, North Carolina A & T University, and Greensboro College are all located in Greensboro. Also nearby are Guilford College (15 miles), High Point University (10 miles), two campuses of Guilford Technical Community College (in Jamestown and High Point), and the previously mentioned campus of Randolph Community College located at Creekside Park. The Piedmont Triad Region is home to 13 major colleges and universities.



Medical facilities include High Point Regional Hospital and Health System, which is located just 7 miles away in downtown High Point. Cornerstone Health Care and its wide-ranging medical services have various facilities located in both High Point and Archdale. Moses H. Cone Memorial Hospital is located in Greensboro, and internationally-recognized Wake Forest University Baptist Medical Center is just 25 miles away in Winston-Salem. In addition, Duke University Hospital in Durham and UNC Memorial Hospital in Chapel Hill are located a mere one-hour drive away.

Fire protection, rescue services and EMT aid is provided by Guil-Rand Fire Department, a nonprofit corporation. Guil-Rand Fire Department's service to the City of Archdale has earned a Class 4 rating from the North Carolina Division of Insurance-Office of State Fire Marshall.

## PROFILE OF THE GOVERNMENT

The City operates under a Council-Manager form of government. The Council is the policy-making and legislative body of City government and includes a Mayor and six Council members. One Council member is elected from each of the City's four wards and two Council members are elected at-large. Members serve four-year staggered terms. The Mayor is elected to serve a two-year term. The Mayor Pro-Tem is selected by the Council to serve a term concurrent with the Mayor. The Mayor is the presiding officer of the Council and votes only when a Council vote results in a tie.

The City Manager is appointed by the Council as the Chief Executive Officer and is responsible for carrying out the policies and ordinances of the Council. The Manager appoints department directors to assist with the administration of the daily operations and programs of the City.

The City of Archdale provides a number of services for its citizens including: police protection, garbage and recyclable materials collection, cultural/recreational activities, street maintenance, leaf and limb collection and planning and zoning. The City operates two enterprise funds, one for water distribution and waste water collection and another one for stormwater services.

## ECONOMIC CONDITION AND OUTLOOK

Archdale and the surrounding region are facing some of the same challenges from the economic downturn as the rest of the country.

The City of Archdale is located in the Piedmont Triad along I-85 and U.S. 311 in the northwest corner of Randolph County and the southwest corner of Guilford County. The City is adjacent to High Point and Greensboro, and there are over one million people in total population within a 30-mile radius of the City. Archdale is approximately 18 miles from Piedmont Triad International Airport's 3,500-acre campus that is home to fifty companies and 4,500 employees. Visit [www.flyfrompti.com/](http://www.flyfrompti.com/) to view the airport's 65<sup>th</sup> anniversary report and progress updates on the current airport expansion projects. The new interstate (I-74) when completed will pass within one-quarter (1/4) mile of the City and will provide easier access to Piedmont Triad International Airport and to other Interstate Highways such as I-95 and I-77. I-85 already provides direct access to Greensboro (15 miles) and to Charlotte (75 miles).

The Randolph County Economic Development Corporation (EDC) is a non-profit organization utilizing public and private funds to promote Randolph County's economic future. The EDC works with new and existing industries for the creation of new jobs, expanded tax base and a stronger local economy. The EDC recently facilitated an agreement with Randolph County and the City of Archdale to provide economic development funds for the expansion of Stickley Fine Upholstery in Archdale.

The High Point Furniture Market is a twice-a-year event that provides a substantial boost to the local economy. Home furnishing buyers, sellers and support personnel from every state and from 110 foreign countries visit the 12 million square feet of exhibit space for the introduction of new products, styles, finishes and concepts by national and international furniture manufacturers.

The City has 2.5 million-gallons-per-day (MGD) wastewater capacity in High Point's Eastside Wastewater Treatment plant of which we currently use 1.0 MGD. We also have 1.0 million MGD of potable water capacity supplied under contracts with the City of High Point and Davidson Water, Inc. The city is a member of Piedmont Triad Regional Water Authority (PTRWA), and when the Authority completes Randleman Lake water treatment plant the City will ultimately have 2.2 MGD capacity in that facility.

## INITIATIVES

As a partner in the Piedmont Triad Regional Water Authority, the City has acquired a 4.6% share of the capacity of the new water treatment plant currently under construction. The transmission lines and water treatment plant are expected to be finished by next summer. As a result of this partnership, the City will have another 700,000 gallons-per-day of water capacity available in the first phase of that plant's operation. A fishing pier and a boat ramp have been constructed at the 3,000-acre reservoir at the Randleman Dam and public access will begin in March 2010.

The City is continuing its plan to upgrade the sewer pump stations following the expansion to the City's main sewer pump station last fiscal year. A Supervisory Control and Data Acquisition (SCADA) system, which allows computer monitoring of pump station activity, was installed at two pump stations during fiscal year end 2009. At the beginning of fiscal year 2010 a SCADA and a new control panel were installed in another pump station.

The City worked with its solid waste contractor to provide customers with new 95-gallon garbage and recycling carts to convert to a totally automated collection system using a mechanical arm to lift and empty the containers. Management's goal is to maintain or reduce the user fees paid by customers for these services and to promote environmental stewardship. The City contracts with a private recycling company that pays a variable market rate for our recyclables and processes the material for reuse. Unfortunately, the market conditions throughout most of this last fiscal year meant that the City paid the company to take its materials, but at a lesser rate than if the waste had been directed to the landfill. The market for recycled materials is slowly recovering and we anticipate a positive cash flow from this arrangement will return. Residents recycled 18% of their waste materials this fiscal year compared to 9% from the previous year. The City will continue to advertise and promote recycling under its NCDENR Division of Pollution Prevention and Environmental Assistance Curbside Recycling Grant.

The City has identified the NC 62 corridor at the intersection of Interstate 85 as a high growth area. To be better prepared for the anticipated development of the corridor, the City has commissioned an access management plan for a nearly two-mile section of NC 62 at the intersection of I-85. The plan will help guide the City in ensuring that the traffic mobility and safety of the corridor and its connector streets will not be compromised by rapid growth in the future. The City also recently updated its Street Network Plan. This plan is a part of the comprehensive plan and provides guidance for future street connections, widenings, intersection improvements, and traffic controls, etc. The Planned Unit Development and Multi-Family Development ordinances were recently brought up to date with improved design standards. A Minimum Housing Ordinance is being written in order to protect the appearance and safety of some of the City's older housing units. The City is also encouraging the use of renewable energy, and is in the process of creating standards for wind and solar energy. A comprehensive inventory of the City's

wastewater collection system is also underway. Staff is completing the field work for the inventory and is in the process of incorporating the information into its GIS. This project will give the City a complete map of the locations of all of its collection lines as well as flow data.

Archdale's Police Chief retired on January 1, 2009. The recruitment process resulted in a promotion from within the organization. Chief Darrell Gibbs has implemented some organizational changes within the department. The City is researching communication technology improvements for public safety.

Archdale is the recipient of a \$464,469 grant from the North Carolina Parks and Recreation Trust Fund (PARTF) for improvements to Creekside Park. The PARTF program provides dollar-for-dollar matching grants to local governments. A new restroom building, eight holes of the disc golf course, greenway trail, parking lot, and road improvements have been completed. The pedestrian bridge, which will provide access to finish the remaining holes of the disc golf course, has been set in place and finishing work is underway. Renovations to the T-ball field are ongoing. The final project of realigning and improving the park entrance is in the planning and permitting phase. All of the projects are to be completed by June 2010.

City Council has recognized the need for expanding City facilities for our growing community and has completed a facilities need study. Contracts and financing agreements were approved this fall for the construction of a maintenance facility at Creekside Park and construction of an equipment shelter for the Public Works Department. The public works project also includes complete renovation of an existing building.

Construction is underway for a YMCA branch in Archdale. The City has applied for a \$70,000 North Carolina Rural Economic Development Center grant and will provide \$193,300 for construction of a public street and water and sewer lines for this project.

## FINANCIAL INFORMATION

*Cash Management:* City funds are primarily held in checking accounts, money market accounts and short-term certificates of deposit. The types of investments authorized for North Carolina local governments are listed in the North Carolina Local Government Budget and Fiscal Control Act. New this fiscal year is the City's placement of funds in the Certificate of Deposit Account Registry Service (CDARS) through our local banks, taking advantage of the increase in FDIC insurance.

*Debt Management:* The current bond rating for the City's general obligation debt by the North Carolina Municipal Council is 81. Governmental activities have been primarily funded on a pay as you go basis. Council has managed its fund balance to provide for future projects, such as the required local match for the PARTF grant. The City plans to finance the construction of the new maintenance facility at the Creekside Park and the renovation and construction of the maintenance facility for the Public Works Department. The City regularly uses debt to finance water and sewer infrastructure.

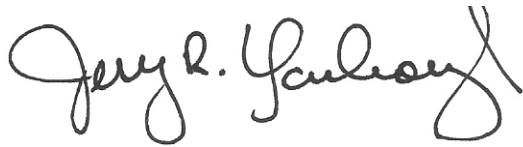
*Long-Term Financial Planning:* Capital Improvement Plans are updated annually for each governmental activity. Currently, these plans extend for a period of five years and include improvements with a useful life span of one year or more and a purchase price of \$5,000 or greater. The general fund plan for 2009 through 2013 lists projects totaling over nine million dollars. Included in this plan is a new City hall building and about four million dollars of park and recreation projects. This fiscal year the Water and Sewer Fund will include Archdale's share of capital improvements for the Eastside Wastewater Treatment Plant as approved by the City of High Point. Each year as part of the annual operating budget, the City also adopts the current year portion of a long-term capital plan.

## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Archdale for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the fourth CAFR prepared for the City of Archdale. In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements.

The workforce of the City deserves special recognition for their service to the citizens of Archdale and for their contributions making Archdale a great place to live, work and play. We also express our appreciation to the Mayor, City Council and members of our boards and committees for their dedication and leadership.

Respectfully Submitted,

A handwritten signature in black ink, reading "Jerry R. Yarborough". The signature is fluid and cursive, with a large, stylized initial "J" and a long, sweeping underline.

Jerry Yarborough  
City Manager

A handwritten signature in black ink, reading "Lori Nurse". The signature is written in a cursive style, with a large, stylized initial "L" and a long, sweeping underline.

Lori Nurse  
Finance Director

## PRINCIPAL OFFICIALS



### Members of City Council

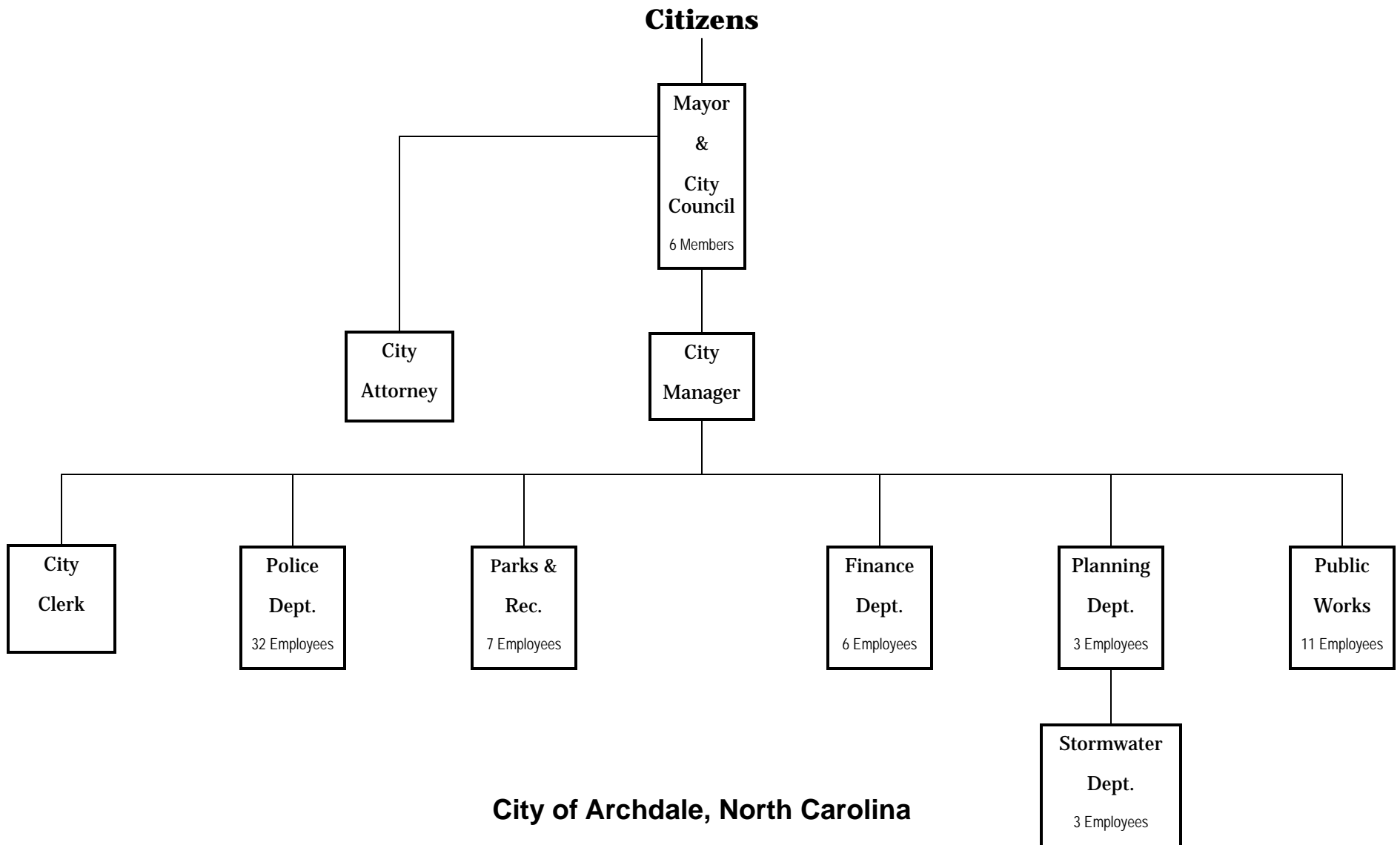
From left to right seated:

Eddie Causey, Mayor Bert Lance-Stone,  
Tim Williams.

From left to right standing:

Larry Warlick, Roger Blackwell, Lewis  
Dorsett, Robert (Trey) Gray.

Bertha Lance-Stone.....	Mayor
Jerry Yarborough .....	City Manager
William Miller .....	City Attorney
Patsy Dougherty .....	City Clerk
Lori Nurse .....	Finance Director
Darrell Gibbs .....	Chief of Police
Michael Shuler .....	Public Works Director
Jeffrey Wells.....	Planning Director
Elaine Albertson .....	Parks and Recreation Director



**City of Archdale, North Carolina**

# **Organizational Chart**

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Archdale  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director







# **S. Preston Douglas & Associates, LLP**

CERTIFIED PUBLIC ACCOUNTANTS

## **MEMBERS**

American Institute of CPAs

N. C. Association of CPAs

## **Independent Auditor's Report**

To the Honorable Mayor  
and Members of the City Council  
Archdale, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the City of Archdale, North Carolina, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Archdale's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining information of the City of Archdale, North Carolina as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2009 on our consideration of City of Archdale's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance's and Other Postemployment Benefits' Schedules of Funding Progress and Schedules of Employer Contributions on pages 19 through 31, 82 through 83, and 84 through 85, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the City of Archdale, North Carolina. The introductory information, combining and individual nonmajor fund financial statements and schedules and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules, as well as the schedule of ad valorem taxes receivable and analysis of current tax levy have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us in the audit of basic financial statements and, accordingly, we express no opinion on them.

*S. Preston Douglas & Associates, LLP*

September 24, 2009

## Management's Discussion and Analysis

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As management of the City of Archdale, we offer readers of our financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City of Archdale's financial statements, which follow this narrative.

### Financial Highlights

- The assets of the City of Archdale exceeded its liabilities at the close of the fiscal year by \$38,006,613.
- The government's total net assets increased by \$2,263,910 primarily due to increases in the governmental activities net assets.
- As of the close of the current fiscal year, the City of Archdale's governmental funds reported combined ending fund balances of \$6,705,573 an increase of \$1,211,265 in comparison with the prior year. Approximately 67 percent of this total amount, or \$4,466,434, is available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$4,216,647 or 78 percent of total general fund expenditures for the fiscal year.
- The unreserved fund balance for the General Fund includes \$250,000 designated by City Council to be used for possible future economic development incentives.
- A budget amendment reduced anticipated revenues and related expenditures to maintain fund balance during this period of economic downturn.

### Overview of the Financial Statements

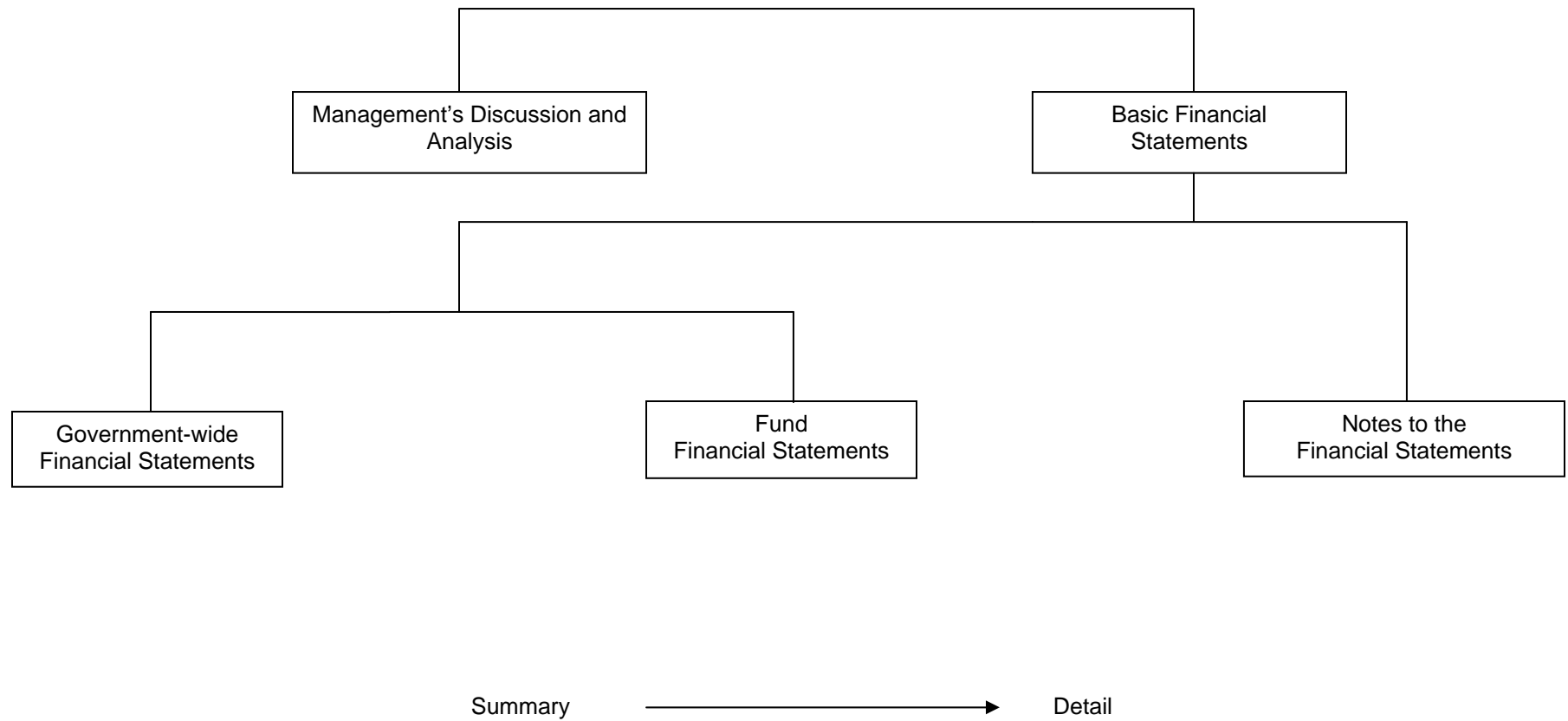
This discussion and analysis are intended to serve as an introduction to City of Archdale's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Archdale.

## Management's Discussion and Analysis

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### Required Components of Annual Financial Report

Figure 1



## Management's Discussion and Analysis (Continued)

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### Basic Financial Statements

The first two statements (pages 34 through 37) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short- and long-term information about the City's financial status.

The next statements (pages 38 through 53) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net assets and how they have changed. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include the City's basic services such as public safety, parks and recreation, solid waste collection and disposal, street maintenance, and general administration. Property taxes and user fees finance most of these activities. The business-type activities are those that the City charges customers to provide. These include water and sewer services offered by the City of Archdale as well as the stormwater enterprise.

The government-wide financial statements are on pages 34 through 37 of this report.

### Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Archdale, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Archdale can be divided into two categories: governmental funds and proprietary funds.

## Management's Discussion and Analysis (Continued)

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**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Archdale adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the council; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** – City of Archdale has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Archdale uses an enterprise fund to account for its water and sewer activity as well as its stormwater operation. This fund is the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 54 through 80 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Archdale's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 82 of this report.

## Management's Discussion and Analysis (Continued)

### Government-Wide Financial Analysis

#### The City of Archdale's Net Assets

**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 7,002,063	\$ 5,793,876	\$ 3,631,770	\$ 2,959,770	\$ 10,633,833	\$ 8,753,646
Capital assets	11,284,886	11,005,714	24,121,219	24,676,279	35,406,105	35,681,993
Total assets	18,286,949	16,799,590	27,752,989	27,636,049	46,039,938	44,435,639
Long-term liabilities outstanding	253,801	481,664	6,586,803	7,103,125	6,840,604	7,584,789
Other liabilities	457,039	358,672	735,682	749,475	1,192,721	1,108,147
Total liabilities	710,840	840,336	7,322,485	7,852,600	8,033,325	8,692,936
Net assets:						
Invested in capital assets, net of related debt	11,065,349	10,657,135	17,033,149	17,079,546	28,098,498	27,736,681
Restricted	649,045	307,259	-	-	649,045	307,259
Unrestricted	5,861,715	4,994,860	3,397,355	2,703,903	9,259,070	7,698,763
Total net assets	\$ 17,576,109	\$ 15,959,254	\$ 20,430,504	\$ 19,783,449	\$ 38,006,613	\$ 35,742,703

## Management's Discussion and Analysis (Continued)

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As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City of Archdale exceeded liabilities by \$38,006,613 as of June 30, 2009. The City's net assets increased by \$2,263,910 for the fiscal year ended June 30, 2009. However, the largest portion (74%) reflects the City's investment in capital assets (e.g. land, buildings, equipment, and machinery); less any related debt still outstanding that was issued to acquire those items. The City of Archdale uses these capital assets to provide services to citizens; consequently, these capital assets are not available for future spending. Although the City of Archdale's investment in its capital assets is reported net of any outstanding related debt, the resources needed to repay these obligations must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Archdale's net assets (2%) represent resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,259,070 (24%) is unrestricted.

Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net assets:

- Randolph and Guilford Counties bill and collect property taxes due to the City of Archdale. The percentage of the net levy collected was 98.36%.
- Total property tax revenues increased slightly by \$57,690, despite the slowdown in development activity. The ad valorem tax rate remained at 29¢ per \$100 of assessed property value.
- Close monitoring of reduction of revenues due to economic conditions.
- Changes in the collection and disposal processes for solid waste.
- Low employee turnover and a commitment to employee continuing education.
- The City continued to make progress on parks and recreation improvement projects funded by a grant from the North Carolina Parks and Recreation Trust Fund, and the local match which was transferred into a capital project fund last fiscal year.



## Management's Discussion and Analysis (Continued)

### The City of Archdale's Changes in Net Assets

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 1,037,826	\$ 1,100,246	\$ 3,454,993	\$ 3,273,938	\$ 4,492,819	\$ 4,374,184
Operating grants and contributions	455,410	432,021	-	-	455,410	432,021
Capital grants and contributions	208,419	30,625	-	1,383,087	208,419	1,413,712
General revenues:						-
Taxes	4,281,186	4,370,313	-	-	4,281,186	4,370,313
Grants and contributions not restricted to specific programs	595,581	571,256	-	-	595,581	571,256
Unrestricted investment earnings	118,666	208,757	69,160	71,556	187,826	280,313
Other	73,684	58,503	-	-	73,684	58,503
Total revenues	6,770,772	6,771,721	3,524,153	4,728,581	10,294,925	11,500,302
Expenses:						
General government	702,448	777,112	-	-	702,448	777,112
Public safety	2,398,905	2,390,055	-	-	2,398,905	2,390,055
Public works	1,204,206	1,677,998	-	-	1,204,206	1,677,998
Cultural and recreation	983,020	958,280	-	-	983,020	958,280
Community promotions	57,553	60,111	-	-	57,553	60,111
Interest on long-term debt	10,085	15,656	-	-	10,085	15,656
Water and sewer	-	-	2,442,785	2,487,739	2,442,785	2,487,739
Stormwater			232,013	133,284		
Total expenses	5,356,217	5,879,212	2,674,798	2,621,023	7,799,002	8,366,951
Increase in net assets before transfers	1,414,555	892,509	849,355	2,107,558	2,263,910	3,133,351
Transfers	202,300	110,000	(202,300)	(110,000)	-	-
Increase in net assets	1,616,855	1,002,509	647,055	1,997,558	2,263,910	3,133,351
Net assets, July 1	15,959,254	14,956,745	19,783,449	17,785,891	35,742,703	32,742,636
Net assets, June 30	\$ 17,576,109	\$ 15,959,254	\$ 20,430,504	\$ 19,783,449	\$ 38,006,613	\$ 35,742,703

## Management's Discussion and Analysis (Continued)

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**Governmental Activities:** Governmental activities increased the City's net assets by \$1,616,855, thereby accounting for 71% of the total growth in the net assets of the City of Archdale. Key elements of this increase are as follows:

- Ad valorem taxes remained steady.
- Local option sales tax revenues decreased by \$146,831. This is a nine percent decrease in the revenue source that typically accounts for twenty-four percent of general fund revenues.
- A portion of Powell Bill Funds, generated from the State Gasoline Tax, is shared by municipalities through a formula based on population and street miles. The use of these funds is restricted to specific street-related expenses for non-NCDOT system streets. Archdale's share of these funds decreased by \$25,311 to \$303,323.
- Powell Bill Funds were used to purchase a salt brine system for street and for minor pavement repairs. No major maintenance was completed this fiscal year. Several street maintenance and improvement projects have been identified for future funding by Powell Bill monies.
- Parks and Recreation Trust Fund grant funded the completion of a restroom building, disc golf course, and greenway expansion. Progress was made on ball field renovations, pedestrian bridge, and park entrance projects.
- The City provided new 95-gallon garbage and recycling carts to all residents under its contract with its solid waste contractor with no change in user fees.
- The City entered into an agreement with a local recycling facility to sell recycled materials at monthly market rates.
- Received a \$12,000 grant from NC Department of Environmental and Natural Resources to promote our recycling program.
- Final year for reimbursement of a share of personnel costs associated with the Governor's Highway Safety Program.
- Stormwater Fund reimbursement to the General Fund of direct stormwater related expenses prior to the creation of the Stormwater Enterprise Fund.

**Business-Type Activities:** Business-type activities increased the City of Archdale's net assets by \$647,055, accounting for 29% of the total growth in the City's net assets. Key elements of this increase are as follows:

- The minimum monthly charge for water and sewer increased by 4%. Rates for water usage in excess of the minimum was increased 10% and sewer rates increased 4% to cover the increased costs of services and to finance costs of capital expansion.
- The City contracted with Davidson Water to collect utility fees for our inside sewer only customers being served by Davidson Water. These customers were previously charged a flat monthly charge for sewer and are now charged according to metered water use.
- The City collected a full year of stormwater enterprise fees, which began mid-way through the previous fiscal year.
- The City purchases water from Davidson Water and the City of High Point.
- The City of High Point processes wastewater for Archdale. Archdale owns wastewater treatment rights at High Point's Eastside Treatment Plant.
- No significant increase in the number of customers to pay for the infrastructure improvements completed in recent years.
- Archdale is a member of the Piedmont Triad Regional Water Authority. See Note IV in the notes to the financial statements for information about this joint venture.

### Financial Analysis of the City Funds

As noted earlier, the City of Archdale uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## Management's Discussion and Analysis (Continued)

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**Governmental Funds:** The focus of the City of Archdale's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Archdale's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Archdale. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$5,116,647, while total fund balance reached \$6,744,475. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 94% of total General Fund expenditures, while total fund balance represents 124% of that same amount.

At June 30, 2009, the governmental funds of the City of Archdale reported a combined fund balance of \$6,705,573 with a net increase in fund balance of \$1,211,265. Included in this change in fund balance is the increase of \$1,332,272 for the General Fund and a decrease of \$121,007 for the Parks and Recreation Trust Fund.

**General Fund Budgetary Highlights:** During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding from external sources, such as state and federal grants; and (3) increases in appropriations that become necessary to maintain services.

The amendments to the City's budget for the fiscal year ended June 30, 2009 were made for the following reasons:

- Appropriations for the Planning and Zoning Department and related revenues were increased \$50,000 for payments under a contract for a traffic study with reimbursement from Department of Transportation.
- Appropriations for construction and debt service were removed from the budget when it was determined that the project would be delayed until the next fiscal year. The project was delayed while negotiating for purchase of property adjacent to one of the sites.
- Revenue from other governments was reduced by \$20,000 because another city opted out of supporting the library.
- A budget amendment was made to reduce certain revenues that were less than anticipated due to changes in the economy. These are:
  - Local option sales tax reduced by \$103,000
  - Zoning applications reduced by \$6,350
  - Recreation revenues lowered \$7,000, primarily due to decrease in concession revenues.
- Expenditures were cut in the following areas to balance the budget for the reduction in revenues noted above:
  - Planning Department intern not replaced at completion of an assignment.
  - Fuel costs for Animal Control due to reduction in service area.
  - Legal fees
  - Travel, training and meetings in the Administration, Finance and Police Departments
  - Reduction in contracted services and part-time salaries for Building and Grounds.
  - Part-time payroll and payments to sports officials were reduced for recreation programs that were not active.

**Proprietary Funds:** The City of Archdale's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Water and Sewer Fund and Stormwater Fund at the end of the fiscal year amounted to \$3,228,683 and \$138,672 respectively. The growth in net assets for both funds was \$519,563 and \$127,492 respectively. The growth in net assets is necessary for future planned capital projects. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## Management's Discussion and Analysis (Continued)

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### Capital Asset and Debt Administration

**Capital Assets:** The City of Archdale's investment in capital assets for its governmental and business-type activities as of June 30, 2009, totals \$35,406,105 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles. Not included in the value for capital assets is the infrastructure for the street system. New street construction valued in excess of \$100,000 will be added to the capital asset amounts should it occur in future years.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Purchase of land adjacent to the Public Works Facility to provide a location for an equipment shelter.
- Purchase or replacement of vehicles in the Police department.
- A new server for the Police Department.
- Completion of a restroom facility, greenway additions, additional parking and a new access road were accomplished using PARTF.
- Construction in progress in the grant fund includes progress on the Frisbee golf course and T-ball field.
- Construction in progress also includes the planning stages for a pedestrian bridge, located on the Frisbee golf course, and a new park entrance.
- There is a new gazebo at the park, which was purchased with donations given in memory of Leecia Lax, a former member of the Park Advisory Board.
- New bleachers were purchased to increase seating and replace worn bleachers at the ball field.
- The park acquired a Polaris utility vehicle to be used for maintenance of the park.
- The Public Works Department replaced a tractor and a service truck

## Management's Discussion and Analysis (Continued)

### The City of Archdale's Capital Assets (net of depreciation and amortization)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 6,269,518	\$ 6,229,191	\$ 307,396	\$ 307,396	\$ 6,576,914	\$ 6,536,587
Construction in progress	114,455	267,791	-	-	114,455	267,791
Water rights	-	-	4,188,165	4,162,555	4,188,165	4,162,555
Water treatment rights	-	-	3,487,500	3,600,000	3,487,500	3,600,000
Buildings and systems	3,198,612	3,134,709	-	-	3,198,612	3,134,709
Improvements other than buildings	758,184	413,550	-	-	758,184	413,550
Equipment and vehicles	944,117	960,473	311,323	409,887	1,255,440	1,370,360
Water distribution system	-	-	3,912,590	3,991,241	3,912,590	3,991,241
Sewer distribution system	-	-	11,844,242	12,205,200	11,844,242	12,205,200
Total	\$ 11,284,886	\$ 11,005,714	\$ 24,051,216	\$ 24,676,279	\$ 35,336,102	\$ 35,681,993

Additional information on the City's capital assets can be found in note II.A.5. of the Basic Financial Statements.

**Long-Term Debt:** As of June 30, 2009, the City of Archdale had total long-term installment debt outstanding of \$7,618,107. These funds were used for the recent construction of a water tank, construction of a pump station, expansion of water and sewer lines, and an upgrade to the City's main sewer pump station. Other loan funds relate to the investment in High Point's Eastside wastewater treatment plant, the mortgage on the Archdale Library and equipment purchases. The City issued no new debt during the fiscal year.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Archdale is \$77,058,918.

Additional information regarding the City of Archdale's long-term debt can be found in Note II.E of this report.

## Management's Discussion and Analysis (Continued)

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### Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect economic conditions for the City.

- The unemployment rate for Randolph County was 12.3% at June 30, 2009, which is slightly more than the State of North Carolina unemployment rate of 11.2%.
- North Carolina has experienced a 9.7 percent growth in population over the last five years.
- North Carolina is transitioning from labor-intensive industries to knowledge-based and service-related industries.
- Income and consumer spending has declined significantly starting in 2008.
- The North Carolina Association of Realtors reported 36% fewer home sales in January 2009 compared to January 2008.
- Archdale's tax base increased by \$28,873,104, despite a slow-down in new building activity.

### Budget Highlights for the Fiscal Year Ending June 30, 2010

#### Governmental Activities

**General Fund:** The property tax rate was set at 29 cents per one hundred dollars of property value in the budget for the fiscal year ending June 30, 2010. Revenues linked to economic growth, such as sales tax were estimated to be even or slightly improved from the amount expected for fiscal year 2009. Powell Bill revenue is budgeted for a \$47,000 decrease. The budget includes an appropriation to fund balance of \$203,081.

Budgeted expenditures in the General Fund, including the loan and construction projects, are \$7,999,249, which is an increase over last year's original budget of \$7,513,699 and final budget of \$6,222,349. Construction of a Parks and Recreation maintenance facility and facilities improvements for Public Works were included in the original budgets for both fiscal years.

**Grant Fund:** The remaining projects for the Parks and Recreation Trust Fund grant will be completed this year. These include installation of the pedestrian bridge and final holes of the disc golf course. It is anticipated that the improvement and realignment of the park entrance will require additional funding from the general fund.

#### Business-type Activities

**Water and Sewer Fund:** The monthly minimum bill for the first 2,000 gallons of water and sewer is \$27.50 for customers living inside city limits. This is an increase of about twelve percent from \$24.65. Other billing policy changes include:

- Adding the \$10 late fee to accounts when checks returned for insufficient funds cause the account not to be paid on the due date.
- Combining sprinkler meter bills with the regular business or household utility bill. The minimum charge will be applied to sprinkler accounts each month. Previously, the account could be flagged as inactive and avoid any charges. Customers were given notice and an opportunity to have their meter removed at no charge if they did not agree to this policy change.
- Provide customers with the ability to pay their utility bills online with a credit or debit card.
- Adjust minimum monthly bill according to meter size.

## Management's Discussion and Analysis (Continued)

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These increases were necessary to cover the increasing costs of water purchases and sewer Significant changes in the operating budget are as follows:

- The City of High Point proposed a 35% increase in the cost per unit of wastewater treatment.
- Archdale's share of \$5,000,000 odor control project at the wastewater treatment plant will be paid over the next twenty years with \$2,336.60 monthly payments.
- Anticipation of future shared costs for High Point's capital improvement projects at the wastewater treatment plant.
- The City of High Point is increasing the rate Archdale pays for water by 4.9%.
- Davidson Water will increase the rate Archdale pays for water in January 2010.
- Archdale's obligation to the Piedmont Triad Regional Water Authority will increase in fiscal year 2011, when Archdale's annual payments for the construction of the water treatment plant and related water lines will be \$378,503.
- Archdale will also share in the cost of recreational use and protection of Randleman Lake.
- The budget includes \$45,000 for a mobile self-contained sewer by-pass pump. Other equipment purchases include a sewer flow meter and shoring equipment.
- This budget provides for installation of a new SCADA system and electrical panel upgrade for one sewer pump station and moving its current SCADA system to another pump station.
- \$145,000 is carried forward to this budget for the water line extension to serve the Carl and Linda Grubb Archdale-Trinity YMCA, of which \$70,000 will be reimbursed by the North Carolina Rural Economic Development Center. A developer will be reimbursed \$30,600 for construction of a new waterline and the NCDOT is owed \$13,300 for utility work associated with the Surrent Drive roadway improvements.

**Stormwater Fund:** There is no change in the stormwater utility fee of \$5.00 per month per equivalent residential unit. The revenues generated by the stormwater utility fee will be used to support compliance with the federal and state stormwater program regulations. Activities included here are street sweeping, leaf and limb pick up and mulching, and monitoring and managing the City's stormwater program. Funding is included in the fiscal year 2010 budget for three storm drainage improvement projects.

### Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Lori Nurse, P.O. Box 14068, Archdale, N.C. 27263. Archdale's website is <http://www.archdale-nc.gov>.





## ***Basic Financial Statements***

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**CITY OF ARCHDALE, NORTH CAROLINA**

Statement of Net Assets

June 30, 2009

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 6,013,049	\$ 3,053,629	\$ 9,066,678
Receivables (Net):			
Taxes	73,766	-	73,766
Accounts	80,144	567,664	647,808
Interest	27,634	-	27,634
Prepays	36,736	-	36,736
Due from Other Governments	770,734	10,477	781,211
	<u>7,002,063</u>	<u>3,631,770</u>	<u>10,633,833</u>
Total Current Assets			
Noncurrent Assets:			
Capital Assets:			
Water Rights	-	4,188,165	4,188,165
Wastewater Treatment Rights, Net of Amortization	-	3,487,500	3,487,500
Land and Other Nondepreciable Assets	6,383,973	307,396	6,691,369
Other Capital Assets, Net of Depreciation	4,900,913	16,138,158	21,039,071
Total Capital Assets	<u>11,284,886</u>	<u>24,121,219</u>	<u>35,406,105</u>
Total Noncurrent Assets	<u>11,284,886</u>	<u>24,121,219</u>	<u>35,406,105</u>
<b>Total Assets</b>	\$ <u><u>18,286,949</u></u>	\$ <u><u>27,752,989</u></u>	\$ <u><u>46,039,938</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ARCHDALE, NORTH CAROLINA**

Statement of Net Assets (Continued)

June 30, 2009

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 176,106	\$ 130,828	\$ 306,934
Unearned Revenue	35,083	4,262	39,345
Customer Deposits	-	68,939	68,939
Current Portion of Long-Term Liabilities	<u>245,850</u>	<u>531,653</u>	<u>777,503</u>
Total Current Liabilities	457,039	735,682	1,192,721
Long-Term Liabilities			
Due In More Than One Year	<u>253,801</u>	<u>6,586,803</u>	<u>6,840,604</u>
<b>Total Liabilities</b>	<u>710,840</u>	<u>7,322,485</u>	<u>8,033,325</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	11,065,349	17,033,149	28,098,498
Restricted For:			
Transportation	533,516	-	533,516
Public Safety	115,529	-	115,529
Unrestricted	<u>5,861,715</u>	<u>3,397,355</u>	<u>9,259,070</u>
<b>Total Net Assets</b>	\$ <u><u>17,576,109</u></u>	\$ <u><u>20,430,504</u></u>	\$ <u><u>38,006,613</u></u>

**CITY OF ARCHDALE, NORTH CAROLINA**

Statement of Activities

For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 702,448	\$ -	\$ -	\$ -
Public Safety	2,398,905	-	143,087	-
Transportation	528,259	-	302,323	-
Cultural and Recreation	983,020	263,133	10,000	208,419
Environmental Protection	675,947	774,693	-	-
Community Promotions	57,553	-	-	-
Interest on Long-Term Debt	10,085	-	-	-
Total Governmental Activities	5,356,217	1,037,826	455,410	208,419
Business-Type Activities:				
Water and Sewer	2,442,785	2,994,517	-	-
Stormwater	232,013	460,476	-	-
Total Business-Type Activities	2,674,798	3,454,993	-	-
Total Primary Government	\$ 8,031,015	\$ 4,492,819	\$ 455,410	\$ 208,419

**General Revenues:**

Taxes:

Property Taxes, Levied for General Purpose

Local Option Sales and Use Taxes

Cable Television Franchise Taxes

Grants and Contributions not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

**Transfers**

**Total General Revenues and Transfers**

**Change in Net Assets**

**Net Assets - Beginning**

**Net Assets - Ending**

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Assets**

**Primary Government**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (702,448)	\$ -	\$ (702,448)
(2,255,818)	-	(2,255,818)
(225,936)	-	(225,936)
(501,468)	-	(501,468)
98,746	-	98,746
(57,553)	-	(57,553)
(10,085)	-	(10,085)
<u>(3,654,562)</u>	<u>-</u>	<u>(3,654,562)</u>
-	551,732	551,732
-	228,463	228,463
-	780,195	780,195
<u>(3,654,562)</u>	<u>780,195</u>	<u>(2,874,367)</u>
2,747,042	-	2,747,042
1,519,428	-	1,519,428
14,716	-	14,716
595,581	-	595,581
118,666	69,160	187,826
73,684	-	73,684
202,300	(202,300)	-
<u>5,271,417</u>	<u>(133,140)</u>	<u>5,138,277</u>
1,616,855	647,055	2,263,910
15,959,254	19,783,449	35,742,703
<u>\$ 17,576,109</u>	<u>\$ 20,430,504</u>	<u>\$ 38,006,613</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ARCHDALE, NORTH CAROLINA**

Balance Sheet  
Governmental Funds  
June 30, 2009

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	<u>General</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Investments	\$ 5,976,559	\$ 36,490	\$ 6,013,049
Receivables (Net):			
Taxes	73,766	-	73,766
Sanitation	80,144	-	80,144
Interest	20,155	-	20,155
Due from Other Governments	557,115	213,619	770,734
Prepays	<u>36,736</u>	<u>-</u>	<u>36,736</u>
<b>Total Assets</b>	\$ <u><u>6,744,475</u></u>	\$ <u><u>250,109</u></u>	\$ <u><u>6,994,584</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Balance Sheet (Continued)  
Governmental Funds  
June 30, 2009

	<u>General</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable and Accrued Liabilities	\$ 175,784	\$ 322	\$ 176,106
Unearned Revenue	35,083	-	35,083
Deferred Revenue	<u>77,822</u>	<u>-</u>	<u>77,822</u>
<b>Total Liabilities</b>	<u>288,689</u>	<u>322</u>	<u>289,011</u>
<b>Fund Balances:</b>			
Reserved For:			
State Statute	653,358	-	653,358
Streets - Powell Bill	533,516	-	533,516
Public Safety	115,529	-	115,529
Prepaid Items	36,736	-	36,736
Unreserved, General Fund			
Designated for Economic Development	250,000	-	250,000
Undesignated	4,866,647	-	4,866,647
Unreserved, Reported in:			
Capital Projects Fund	<u>-</u>	<u>249,787</u>	<u>249,787</u>
<b>Total Fund Balances</b>	<u>6,455,786</u>	<u>249,787</u>	6,705,573
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,744,475</u>	<u>\$ 250,109</u>	

The notes to the financial statements are an integral part of this statement.





**CITY OF ARCHDALE, NORTH CAROLINA**  
Balance Sheet (Continued)  
Governmental Funds  
June 30, 2009

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		<u><b>Total Governmental Funds</b></u>
<b>Total Fund Balance</b>		\$ 6,705,573
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	14,142,764	
Accumulated depreciation	<u>(2,857,878)</u>	\$ 11,284,886
Other long-term assets (accrued interest receivable from taxes and assessments) are not available to pay for current-period expenditures and therefore are deferred		7,479
Liabilities for earned but deferred revenues in fund statements.		77,822
Some liabilities, including installment obligations payable, net pension obligations, other postemployment benefits, and accrued vacation, are not due and payable in the current period and therefore are not reported in the funds.		<u>(499,651)</u>
<b>Net assets of governmental activities.</b>		\$ <u><u>17,576,109</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2009

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	<u>General</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Ad Valorem Taxes	\$ 2,731,675	\$ -	\$ 2,731,675
Unrestricted Intergovernmental	2,115,009	-	2,115,009
Restricted Intergovernmental	455,410	208,419	663,829
Licenses and Permits	59,260	-	59,260
Sales and Services	993,282	-	993,282
Investment Earnings	118,666	-	118,666
Miscellaneous	<u>73,684</u>	<u>-</u>	<u>73,684</u>
<b>Total Revenues</b>	<u>6,546,986</u>	<u>208,419</u>	<u>6,755,405</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)  
Governmental Funds  
For the Year Ended June 30, 2009

	<u>General</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>Expenditures</b>			
Current:			
Governing Body	50,132	-	50,132
Administration	223,561	-	223,561
Finance	315,636	-	315,636
Legal	28,052	-	28,052
Building and Grounds	67,817	-	67,817
Police	1,892,913	-	1,892,913
Animal Control	51,806	-	51,806
Fire Inspections	27,867	-	27,867
Planning and Zoning	229,126	-	229,126
Streets	447,801	-	447,801
Streets - Powell Bill	10,779	-	10,779
Sanitation	675,947	-	675,947
Parks and Recreation	713,248	-	713,248
Senior Adults Association	11,100	-	11,100
Library	100,853	-	100,853
Community Promotions	57,553	-	57,553
Debt service:			
Principal	129,042	-	129,042
Interest	10,085	-	10,085
Capital outlay:			
Police	146,488	-	146,488
Streets	155,395	-	155,395
Streets - Powell Bill	19,311	-	19,311
Parks and Recreation	52,502	329,426	381,928
<b>Total Expenditures</b>	<u>5,417,014</u>	<u>329,426</u>	<u>5,746,440</u>
<b>Revenues Over (Under) Expenditures</b>	<u>1,129,972</u>	<u>(121,007)</u>	<u>1,008,965</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)  
Governmental Funds  
For the Year Ended June 30, 2009

	<u>General</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>Other Financing Sources</b>			
Transfers from Other Funds	\$ 202,300	\$ -	\$ 202,300
<b>Total Other Financing Sources</b>	<u>202,300</u>	<u>-</u>	<u>202,300</u>
<b>Net Changes in Fund Balances</b>	1,332,272	(121,007)	1,211,265
<b>Fund Balance - Beginning of Year</b>	<u>5,123,514</u>	<u>370,794</u>	<u>5,494,308</u>
<b>Fund Balance - End of Year</b>	<u>\$ 6,455,786</u>	<u>\$ 249,787</u>	<u>\$ 6,705,573</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)  
Governmental Funds  
For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	1,211,265
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	703,122	
Depreciation expense for governmental assets	(423,950)	279,172

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Change in deferred revenue for tax revenues	14,128	
Change in accrued interest on tax revenues	1,239	15,367

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

New long-term debt issued	-	
Principal payments on long-term debt	129,042	129,042

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences	(1,825)	
Net pension obligation	18	
Other postemployment benefits	(16,184)	(17,991)

Total changes in net assets of governmental activities	\$	1,616,855
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**CITY OF ARCHDALE, NORTH CAROLINA**  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Fiscal Year Ended June 30, 2009

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues</b>				
Ad Valorem Taxes	\$ 2,671,700	\$ 2,671,700	\$ 2,731,675	\$ 59,975
Unrestricted Intergovernmental	2,215,300	2,132,300	2,115,009	(17,291)
Restricted Intergovernmental	355,500	435,500	455,410	19,910
Licenses and Permits	63,800	57,550	59,260	1,710
Sales and Services	1,041,100	984,000	993,282	9,282
Investment Earnings	87,000	87,000	118,666	31,666
Miscellaneous	22,400	22,400	73,684	51,284
<b>Total Revenues</b>	<u>6,456,800</u>	<u>6,390,450</u>	<u>6,546,986</u>	<u>156,536</u>
<b>Expenditures</b>				
Governing Body	66,455	62,455	50,132	12,323
Administration	247,225	239,925	223,561	16,364
Finance	330,040	328,040	315,636	12,404
Legal	50,000	50,000	28,052	21,948
Building and Grounds	241,138	102,138	67,817	34,321
Police	2,234,327	2,192,627	2,060,647	131,980
Animal Control	57,185	57,185	51,806	5,379
Fire Inspections	27,867	27,867	27,867	-
Planning and Zoning	243,865	303,865	229,126	74,739
Streets	1,577,490	662,490	606,945	55,545
Streets - Powell Bill	252,500	252,500	30,090	222,410
Sanitation	733,900	733,900	675,947	57,953
Parks and Recreation	1,074,170	831,820	765,750	66,070
Senior Adults Association	12,035	12,035	11,100	935
Library	220,475	220,475	214,985	5,490
Community Promotions	70,027	70,027	57,553	12,474
Non-Departmental	75,000	75,000	-	75,000
<b>Total Expenditures</b>	<u>7,513,699</u>	<u>6,222,349</u>	<u>5,417,014</u>	<u>805,335</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ARCHDALE, NORTH CAROLINA**  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)  
Budget and Actual  
For the Fiscal Year Ended June 30, 2009

	<b>General Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	
<b>Revenues Over (Under) Expenditures</b>	\$ <u>(1,056,899)</u>	\$ <u>168,101</u>	\$ <u>1,129,972</u>	\$ <u>961,871</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	264,000	264,000	202,300	(61,700)
Installment Loan Proceeds	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,364,000</u>	<u>264,000</u>	<u>202,300</u>	<u>(61,700)</u>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	307,101	432,101	1,332,272	<u>900,171</u>
<b>Fund Balance Appropriated</b>	<u>(307,101)</u>	<u>(432,101)</u>	<u>-</u>	<u>432,101</u>
<b>Net Change in Fund Balance</b>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	1,332,272	\$ <u><u>1,332,272</u></u>
<b>Fund Balance - Beginning of Year</b>			<u>5,123,514</u>	
<b>Fund Balance - End of Year</b>			\$ <u><u>6,455,786</u></u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF ARCHDALE, NORTH CAROLINA**

Statement of Net Assets

Proprietary Funds

June 30, 2009

	<u>Major Water and Sewer</u>	<u>Non-Major  Stormwater</u>	<u>Total Proprietary Funds</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 2,921,017	\$ 132,612	\$ 3,053,629
Accounts Receivable (Net) - Billed	382,231	44,013	426,244
Accounts Receivable (Net) - Unbilled	141,420	-	141,420
Due from Other Governments	10,110	367	10,477
<b>Total Current Assets</b>	<u>3,454,778</u>	<u>176,992</u>	<u>3,631,770</u>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Water Rights	4,188,165	-	4,188,165
Wastewater Treatment Rights, Net of Amortization	3,487,500	-	3,487,500
Land and Other Nondepreciable Assets	307,396	-	307,396
Other Capital Assets, Net of Depreciation	16,068,155	70,003	16,138,158
<b>Total Capital Assets</b>	<u>24,051,216</u>	<u>70,003</u>	<u>24,121,219</u>
<b>Total Noncurrent Assets</b>	<u>24,051,216</u>	<u>70,003</u>	<u>24,121,219</u>
<b>Total Assets</b>	\$ <u>27,505,994</u>	\$ <u>246,995</u>	\$ <u>27,752,989</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF ARCHDALE, NORTH CAROLINA**

Statement of Net Assets (Continued)

Proprietary Funds

June 30, 2009

	<u>Major Water and Sewer</u>	<u>Non-Major  Stormwater</u>	<u>Total Proprietary Funds</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Liabilities	\$ 129,003	\$ 1,825	\$ 130,828
Customer Deposits	68,939	-	68,939
Unearned Revenue	4,262	-	4,262
Compensated Absences Payable - Current	10,407	2,593	13,000
Installment Notes Payable - Current	494,713	23,940	518,653
<b>Total Current Liabilities</b>	<u>707,324</u>	<u>28,358</u>	<u>735,682</u>
<b>Noncurrent Liabilities</b>			
Compensated Absences Payable	9,458	2,393	11,851
Installment Notes Payable - Noncurrent	6,538,199	31,218	6,569,417
Other Postemployment Benefits	4,026	1,509	5,535
<b>Total Noncurrent Liabilities</b>	<u>6,551,683</u>	<u>35,120</u>	<u>6,586,803</u>
<b>Total Liabilities</b>	\$ <u>7,259,007</u>	\$ <u>63,478</u>	\$ <u>7,322,485</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	17,018,304	14,845	17,033,149
Unrestricted	<u>3,228,683</u>	<u>168,672</u>	<u>3,397,355</u>
<b>Total Net Assets</b>	\$ <u>20,246,987</u>	\$ <u>183,517</u>	\$ <u>20,430,504</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF ARCHDALE, NORTH CAROLINA**  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009

	<u>Major Water and Sewer</u>	<u>Non-Major  Stormwater</u>	<u>Total Proprietary Funds</u>
<b>Operating Revenues</b>			
Charges for Services	\$ 2,842,875	-	\$ 2,842,875
Water and Sewer Taps	6,600	-	6,600
Impact and Acreage Fees	7,180	-	7,180
Stormwater Fees	-	460,452	460,452
Other Operating Revenues	137,862	24	137,886
<b>Total Operating Revenues</b>	<u>2,994,517</u>	<u>460,476</u>	<u>3,454,993</u>
<b>Operating Expenses</b>			
Salaries and Employee Benefits	356,036	146,088	502,124
Water Purchases	490,782	-	490,782
Waste Disposal and Treatment Costs	330,358	-	330,358
Other Operating Expenditures	390,013	64,693	454,706
Depreciation	528,840	18,686	547,526
Amortization	112,500	-	112,500
<b>Total Operating Expenses</b>	<u>2,208,529</u>	<u>229,467</u>	<u>2,437,996</u>
<b>Operating Income</b>	<u>785,988</u>	<u>231,009</u>	<u>1,016,997</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment Earnings	67,831	1,329	69,160
Interest Expense	(234,256)	(2,546)	(236,802)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(166,425)</u>	<u>(1,217)</u>	<u>(167,642)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	619,563	229,792	849,355
Capital Contributions	-	-	-
Transfers to Other Funds	(100,000)	(102,300)	(202,300)
<b>Change in Net Assets</b>	519,563	127,492	647,055
<b>Net Assets - Beginning of Year</b>	<u>19,727,424</u>	<u>56,025</u>	<u>19,783,449</u>
<b>Net Assets - End of Year</b>	\$ <u>20,246,987</u>	\$ <u>183,517</u>	\$ <u>20,430,504</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2009

	<u>Major Water and Sewer</u>	<u>Non-Major  Stormwater</u>	<u>Total Proprietary Funds</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers and Users	\$ 2,820,720	456,922	\$ 3,277,642
Cash Paid for Goods and Services	(1,203,154)	(63,380)	(1,266,534)
Cash Paid to Employees for Services	(345,342)	(141,451)	(486,793)
Customer Deposits Received	5,425	-	5,425
Customer Deposits Returned	(6,051)	-	(6,051)
Cash Received from Other Operating Revenues	137,862	24	137,886
<b>Net Cash Provided by Operating Activities</b>	<u>1,409,460</u>	<u>252,115</u>	<u>1,661,575</u>
<b>Cash Flows from NonCapital Financing Activities</b>			
Transfers to Other Funds	<u>(100,000)</u>	<u>(102,300)</u>	<u>(202,300)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Installment Debt Issued	-	-	-
Interest Paid on Notes	(234,256)	(2,546)	(236,802)
Principal Paid on Note Maturities	(485,605)	(23,058)	(508,663)
Acquisition and Construction of Capital Assets	(104,966)	-	(104,966)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(824,827)</u>	<u>(25,604)</u>	<u>(850,431)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	<u>67,831</u>	<u>1,329</u>	<u>69,160</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	552,464	125,540	678,004
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>2,368,553</u>	<u>7,072</u>	<u>2,375,625</u>
<b>Cash and Cash Equivalents - End of Year</b>	\$ <u>2,921,017</u>	\$ <u>132,612</u>	\$ <u>3,053,629</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
Statement of Cash Flows (Continued)  
Proprietary Funds  
For the Year Ended June 30, 2009

	<u>Major Water and Sewer</u>	<u>Non-Major  Stormwater</u>	<u>Total Proprietary Funds</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income	\$ 785,988	\$ 231,009	\$ 1,016,997
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities</b>			
Depreciation	528,840	18,686	547,526
Amortization	112,500	-	112,500
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(37,306)	(3,530)	(40,836)
(Increase) Decrease in Due from Other Governments	46,439	402	46,841
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(38,442)	911	(37,531)
Increase (Decrease) in Customer Deposits	(626)	-	(626)
Increase (Decrease) in Unearned Revenue	1,371	-	1,371
Increase (Decrease) in Compensated Absences Payable	6,668	3,128	9,796
Increase (Decrease) in Other Postemployment Benefits	4,028	1,509	5,537
<b>Total Adjustments</b>	<u>623,472</u>	<u>21,106</u>	<u>644,578</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,409,460</u>	<u>\$ 252,115</u>	<u>\$ 1,661,575</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2009

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Archdale conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The City of Archdale is a municipal corporation that is governed by an elected mayor and a six-member council.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities; however, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental* and *proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

The City reports the following major governmental fund:

**General Fund.** The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state and federal grants, and various other taxes and licenses. The primary expenditures are for police, streets, streets – Powell Bill, sanitation, and parks and recreation.

The City reports the following non-major governmental fund:

**PARTF Capital Projects Fund.** This fund is used to account for the construction of new park facilities.

The City reports the following major enterprise fund:

**Water and Sewer Fund.** This fund is used to account for the City's water and sewer operations. Included as a subfund is the Water and Sewer Capital Reserve Fund.

The City reports the following non-major enterprise fund:

**Stormwater Fund.** This fund is used to account for the City's stormwater operations.

**C. Measurement Focus and Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenue and expenses.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Randolph and Guilford counties are responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in each county, including the City of Archdale. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the City's vehicle taxes for vehicles registered from March 2008 through February 2009 apply to the fiscal year ended June 30, 2009. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues.



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as deferred revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

As permitted by generally accepted accounting principles, the City has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

**D. Budgetary Data**

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds, including the Water and Sewer Capital Reserve Fund. All annual appropriations lapse at the fiscal-year end. A project ordinance is adopted for the PARTF Capital Projects Fund. The enterprise fund projects and reserve funds are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. All amendments must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**E. Assets, Liabilities, and Fund Equity**

**1. Deposits and Investments**

All deposits of the City are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, and Fund Equity (Continued)**

**1. Deposits and Investments (Continued)**

The City's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

**2. Cash and Cash Equivalents**

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

**3. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2008. As allowed by state law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

**4. Allowances for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

**5. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government – wide and fund financial statements and expensed as the items are used.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, and Fund Equity (Continued)**

**6. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$100; buildings and improvements, \$20,000; furniture and equipment, \$5,000; vehicles, \$10,000; and infrastructure, \$100,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003 are not recorded. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Land Improvements, Infrastructure, and Buildings	25 – 50
Furniture, Fixtures, Equipment, Heavy Equipment, and Vehicles	5 – 10

**7. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

**8. Compensated Absences**

The vacation policy of the City provides for the accumulation of up to twenty-two and a half days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a last-in, first-out method of using accumulated compensated time. Under this method, the leave balance is generally assumed to be a long-term liability.

The City's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the City does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, and Fund Equity (Continued)**

**9. Net Assets/Fund Balances**

**Net Assets**

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**Fund Balances**

In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

**Reserved:**

***Reserved for Prepaid Items*** - portion of fund balance that is not available for appropriation because it represents the year-end fund balance or prepaid items, a component of net current assets.

***Reserved by State Statute*** - portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

***Reserved for Streets - Powell Bill*** - portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

***Reserved for Public Safety*** – portion of fund balance that is available for appropriation but legally segregated for public safety expenditures. These funds are the local share of federal drug seizure funds.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, and Fund Equity (Continued)**

**10. Net Assets/Fund Balances (Continued)**

**Unreserved:**

***Designated for Subsequent Year's Expenditures*** - portion of total fund balance available for appropriation that has been designated for the adopted 2008-2009 budget ordinance.

***Designated for Economic Development*** - portion of the total fund balance available for possible future economic development incentives.

***Undesignated*** - portion of total fund balance available for appropriation that is uncommitted at year-end.

**II. DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**1. Deposits**

All the deposits of the City are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's agent in the City's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no policy regarding custodial risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S.159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2009, the City's deposits had a carrying amount of \$8,453,490 and a bank balance of \$8,529,254. Of the bank balance, \$4,624,272 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2009, the City's petty cash funds totaled \$350, the Water fund has cash drawer funds in the amount of \$75, and the Police department has \$1,047 in police investigation funds.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**A. Assets (Continued)**

**2. Investments**

At June 30, 2009, the City of Archdale had \$611,717 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAm by Standard and Poor's. The City has no policy regarding credit risk.

**3. Receivables - Allowances for Doubtful Accounts**

The amounts presented in the Balance Sheet and the Statement of Net Assets are net of the following allowances for doubtful accounts:

Fund	06/30/2009
Water Fund:	
Water and Sewer Billings	\$ 35,000
Total	\$ 35,000

**4. Due from Other Governments**

Amounts due from governmental agencies consist of the following:

Governmental Funds	
Sales and Use Tax Distribution	\$ 384,215
Utilities Franchise and Telecommunications Tax	126,440
Sales Tax Refunds	25,464
Property Tax Collections	18,682
Senior Phone Reimbursement	315
Solid Waste Disposal Tax	1,592
ABC Board Profit Distribution	206
State Grants	213,820
Total	\$ 770,734
Enterprise Funds	
Sales Tax Refunds	\$ 10,477
Total	\$ 10,477

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**A. Assets (Continued)**

**5. Capital Assets**

**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 2,252,281	40,327	\$ -	\$ 2,292,608
Construction in progress	267,791	109,813	(263,149)	114,455
Street Rights-of-Way	3,976,910	-	-	3,976,910
Total capital assets not being Depreciated	6,496,982	150,140	(263,149)	6,383,973
<b>Capital assets being depreciated:</b>				
Buildings	4,242,910	151,860	-	4,394,770
Land improvements	725,452	414,649	-	1,140,101
Equipment and Vehicles	2,076,042	249,622	(101,744)	2,223,920
Total capital assets being Depreciated	7,044,404	816,131	(101,744)	7,758,791
<b>Less accumulated depreciation for:</b>				
Buildings	1,108,201	87,957	-	1,196,158
Land improvements	311,902	70,015	-	381,917
Equipment and Vehicles	1,115,569	265,978	(101,744)	1,279,803
Total accumulated depreciation	2,535,672	423,950	(101,744)	2,857,878
Total capital assets being depreciated, net	4,508,732			4,900,914
<b>Governmental activity capital assets, net</b>	\$ 11,005,714			\$ 11,284,886

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**A. Assets (Continued)**

**5. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$	13,326
Public safety		186,845
Transportation		67,921
Cultural and recreation		155,858
Total	\$	<u>423,950</u>



**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**A. Assets (Continued)**

**5. Capital Assets (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<b><i>Water and Sewer Fund</i></b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 307,396	\$ -	\$ -	\$ 307,396
Construction-in-progress	-	-	-	-
Total capital assets not being depreciated	307,396	-	-	307,396
<b>Capital assets being depreciated:</b>				
Equipment	575,778	45,456	-	621,234
Water distribution system	6,251,068	33,900	-	6,284,968
Sewer collection system	17,671,668	-	-	17,671,668
Total capital assets being depreciated	24,498,514	79,356	-	24,577,870
<b>Less accumulated depreciation for:</b>				
Equipment	254,580	55,331	-	309,911
Water distribution system	2,259,827	112,551	-	2,372,378
Sewer collection system	5,466,468	360,958	-	5,827,426
Total accumulated depreciation	7,980,875	528,840	-	8,509,715
Total capital assets being depreciated, net	\$ 16,517,639			\$ 16,068,155
<b>Capital assets being amortized, net:</b>				
Water rights	4,162,555	25,610	-	4,188,165
Wastewater treatment rights	4,500,000	-	-	4,500,000
Total capital assets being amortized:	8,662,555	25,610	-	8,688,165
<b>Less accumulated amortization for:</b>				
Wastewater treatment rights	900,000	112,500	-	1,012,500
Total capital assets being amortized, net	7,762,555			7,675,665
<b>Business-type activity capital assets, net</b>	<b>\$ 24,587,590</b>			<b>\$ 24,051,216</b>

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**A. Assets (Continued)**

**5. Capital Assets (Continued)**

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Business-type activities:</b>				
<b><i>Stormwater Fund</i></b>				
<b>Capital assets being depreciated:</b>				
Equipment	104,036	-	-	104,036
Total capital assets being depreciated	<u>104,036</u>	<u>-</u>	<u>-</u>	<u>104,036</u>
<b>Less accumulated depreciation for:</b>				
Equipment	15,347	18,686	-	34,033
Total accumulated depreciation	<u>15,347</u>	<u>18,686</u>	<u>-</u>	<u>34,033</u>
Total capital assets being depreciated, net	<u>\$ 88,689</u>		<u>\$</u>	<u>70,003</u>

## II. DETAIL NOTES ON ALL FUNDS (Continued)

### B. Liabilities

#### 1. Pension Plan Obligations

##### a. Local Governmental Employees' Retirement System

**Plan Description.** The City of Archdale contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy.** Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.97% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of the City of Archdale are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$123,797, \$135,489, and \$135,587, respectively. The contributions made by the City equaled the required contributions for each year.

##### b. Supplemental Retirement Income Plan

#### 1. Plan Description

The City of Archdale contributes amounts for law enforcement officers to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. In addition, the City has elected to contribute amounts for employees not engaged in law enforcement under this plan.

#### 2. Funding Policy

Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. For employees not engaged in law enforcement, the City has elected to contribute each month an amount equal to 5% of each employee's salary. Also, the law enforcement officers and employees not engaged in law enforcement may make voluntary contributions to the Plan. Contributions for law enforcement officers for the year ended June 30, 2009 were \$65,580, which consisted of \$54,959 from the City and \$10,621 from law enforcement officers. Contributions for employees not engaged in law enforcement for the year ended June 30, 2009 were \$158,017, which consisted of \$74,674 from the City and \$83,343 from the employees.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

**1. Pension Plan Obligations (Continued)**

**c. Law Enforcement Officers Special Separation Allowance**

**1. Plan Description.**

The City of Archdale administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance does not issue a standalone financial report. Financial and trend information is presented as required supplementary information following these notes.

All full time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>25</u>
Total	<u><u>25</u></u>

A separate report was not issued for the plan.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting.** The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

**Method Used to Value Investments.** No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

**1. Pension Plan Obligations (Continued)**

**c. Law Enforcement Officers Special Separation Allowance (Continued)**

**3. Contributions**

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5 – 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-employment benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2008 was 22 years.

*Annual Pension Cost and Net Pension Obligation.* The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Employer annual required contribution	\$ 39,123
Interest on net pension obligation	8,580
Less adjustment of annual required contribution	<u>(7,235)</u>
Annual pension cost	40,468
Less contributions made	<u>40,486</u>
Increase (decrease) in net pension obligation	(18)
Net pension obligation beginning of year	<u>118,346</u>
Net pension obligation end of year	<u><u>\$ 118,328</u></u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

**1. Pension Plan Obligations (Continued)**

**c. Law Enforcement Officers Special Separation Allowance (Continued)**

**3. Contributions (Continued)**

**3 Year Trend Information**

Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2007	\$ 35,151	46.20%	\$ 97,369
2008	37,217	43.64%	118,346
2009	40,468	100.04%	118,328

**4. Funded Status and Funding Progress**

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$309,854. The covered payroll (annual payroll of active employees covered by the plan) was \$1,073,859, and the ratio of the UAAL to the covered payroll was 28.85 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**2. Other Postemployment Benefit**

**a. Healthcare Benefits**

*Plan Description.* Employees who retire under the provisions of the North Carolina Local Government Employees' Retirement System (NCLGERS) with twenty or more years of service with the City of Archdale and are at least 50 at the time of retirement, are eligible to participate in the City's Group Health Insurance Plan. Later transfer employees may also participate if they retire under the provisions of NCLGERS with at least thirty years of local government service and have at least ten or more years of service with the City of Archdale and are at least age 50 at the time of retirement. Dependents and/or family members of the retiree are not eligible to participate. The City Council may amend the benefit provisions. A separate report was not issued for the plan.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

**2. Other Postemployment Benefit (Continued)**

**a. Healthcare Benefits (Continued)**

Membership of the HCB Plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers:
Retirees receiving benefits		
Terminated plan members entitled to but not yet receiving benefits	-	2
Active plan members	32	30
Total	<u>32</u>	<u>32</u>

*Funding Policy.* Eligible retirees may purchase, at their expense, group health insurance coverage on the City's group policy until they are Medicare eligible.

The current ARC rate is 1.21% of annual covered payroll. For the current year, the City contributed \$9,480 or 0.37% of annual covered payroll. The City obtains healthcare coverage through private insurers. The City's required contributions, under a City resolution, for employees not engaged in law enforcement and for law enforcement officers represented 0.0% and 0.88% of covered payroll, respectively. There were contributions of \$9,480 made by the employees. The City's obligation to contribute to HCB Plan is established and may be amended by the City Council.

*Summary of Significant Accounting Policies.* Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

**2. Other Postemployment Benefit (Continued)**

**a. Healthcare Benefits (Continued)**

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 31,199
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>31,199</u>
Contributions made	<u>(9,480)</u>
Increase (decrease) in net OPEB obligation	21,719
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u><u>\$ 21,179</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

Year Ending June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 31,199	30.39%	\$ 21,719



## II. DETAIL NOTES ON ALL FUNDS (Continued)

### B. Liabilities (Continued)

#### 2. Other Postemployment Benefit (Continued)

##### a. Healthcare Benefits (Continued)

*Funding Status and Funding Progress.* As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$232,918. The covered payroll (annual payroll of active employees covered by the plan) was \$2,581,960, and the ratio of the UAAL to the covered payroll was 9.0 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

**3. Other Employment Benefits**

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. For the fiscal year ended June 30, 2009, the City made contributions to the State for death benefits of \$4,101. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .17% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

The City also provides group-term life insurance, which is equal to each employee's annual salary up to \$50,000. As a part of this benefit, each employee also receives accidental death and dismemberment coverage, which is again equal to annual salary up to \$50,000.

**C. Deferred / Unearned Revenues**

The balance in deferred / unearned revenues at year-end is composed of the following elements:

	Deferred Revenue	Unearned Revenue
Prepaid Licenses (General Fund)	\$ -	\$ 35,083
Customer Overpayments (Water Fund)	-	4,262
Taxes Receivable (General Fund)	77,822	-
Total	<u>\$ 77,822</u>	<u>\$ 39,345</u>

## **II. DETAIL NOTES ON ALL FUNDS (Continued)**

### **D. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance coverage which provides for the following types of major coverage for the amounts of retained risk noted: general liability (\$2,000,000), comprehensive law enforcement liability (\$2,000,000), public officials' liability (\$2,000,000), auto liability coverage (\$2,000,000) and employee health coverage with an unlimited lifetime limit. The City also carries workers' compensation coverage of up to \$1,000,000. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three years.

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The City carries flood insurance coverage up to a limit of coverage of \$1,000,000 with a 10% deductible (\$50,000 minimum per covered location); the annual aggregate is \$1,000,000.

The finance director is individually bonded for \$250,000. All remaining employees are bonded under a blanket bond for \$250,000.

### **E. Long-Term Obligations**

#### **1. Notes Payable**

In March 2006, a note was executed with Bank of America by the City for construction of water and sewer lines, a water tank, and pump station. The City has entered into a note payable with Wachovia Bank, N.A. for the construction of a public library. The City has also entered into a note payable with Branch Banking and Trust for the purchase of new vehicles and equipment.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Obligations (Continued)**

**1. Notes Payable (Continued)**

***Governmental Activities:***

\$750,000 note payable to Wachovia Bank, N.A. interest and principal payable in 31 quarterly installments of \$28,532 each including interest payable at 3.5%, unsecured.

\$ 219,537

219,537

Less current portion:

107,850

Total

\$ 111,687

The future minimum payments on the notes payable as of June 30, 2009 are as follows:

Year Ending June 30	Governmental Type Activities	
	Principal	Interest
2010	107,850	6,278
2011	111,687	2,454
Total	\$ 219,537	\$ 8,732

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Obligations (Continued)**

**1. Notes Payable (Continued)**

***Business Type Activities – Enterprise Fund – Water/Sewer Funds***

\$4,845,000 note payable to the State of North Carolina Sewer Revolving Loan, principal payable in 20 annual installments of \$242,250 and semi-annual interest installments 2.66%. \$ 3,391,500

\$4,400,000 note payable to Bank of America, interest and principal payable in 180 monthly installments of \$31,854 each including interest payable at 3.68%. 3,641,412

7,032,912

Less current portion:

494,712

Total \$ 6,538,199

***Business Type Activities – Enterprise Fund – Stormwater Funds***

\$94,950 note payable to Branch Banking and Trust, interest and principal payable in 48 monthly installments of \$2,134 each including interest payable at 3.76%. \$ 55,158

55,158

Less current portion:

23,940

Total \$ 31,218

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Obligations (Continued)**

**1. Notes Payable (Continued)**

The long-term debt requirements to maturity for the business-type activities are as follows:

Year Ending June 30	Business Type Activities	
	Principal	Interest
2010	\$ 519,653	\$ 221,663
2011	529,018	204,855
2012	520,026	188,200
2013	524,123	171,258
2014	534,672	154,264
2015 – 2019	2,845,753	502,271
2020 – 2023	1,615,825	86,547
	<u>\$ 7,088,070</u>	<u>\$ 1,529,058</u>

**2. Changes in Long-Term Liabilities**

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009	Current Portion of Balance
Governmental activities:					
Notes Payable	\$ 348,579	\$ -	\$ (129,042)	\$ 219,537	\$ 107,850
Compensated absences	143,777	139,325	(137,500)	145,602	138,000
Net pension obligation	118,346	40,468	(40,486)	118,328	-
Other post-employment benefits	-	25,664	(9,840)	16,184	-
Governmental activity long-term Liabilities	<u>\$ 610,702</u>	<u>\$ 205,457</u>	<u>\$ (316,508)</u>	<u>\$ 499,651</u>	<u>\$ 245,850</u>
Business-type activities:					
Note payable	\$ 7,596,733	\$ -	\$ (508,663)	\$ 7,088,070	\$ 518,653
Compensated absences	15,055	22,570	(12,774)	24,851	13,000
Other post-employment benefits	-	5,535	-	5,535	-
Business-type activity long-term Liabilities	<u>\$ 7,611,788</u>	<u>\$ 28,105</u>	<u>\$ (521,437)</u>	<u>\$ 7,118,456</u>	<u>\$ 531,653</u>

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave as it is earned.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**F. Commitments**

The City has entered into an agreement with the Piedmont Triad Regional Water Authority (PTRWA) to assist in the repayment of debt for the construction of the PTRWA water treatment plant. Under the terms of this agreement, the City is obligated to pay approximately \$7,002,307 to the Authority over a twenty-year period which is to begin in the fiscal year ending June 30, 2011. Future estimated payments to the Authority are as follows:

<u>Year Ending June 30</u>	
2011	\$ 350,115
2012	350,115
2013	350,115
2014	350,115
2015	350,115
2016 – 2020	1,750,575
2021 – 2025	1,750,575
2026 – 2030	1,750,582
	<u>\$ 7,002,307</u>

The City has entered into an agreement with 4 other municipalities to assist in the repayment of debt for the engineering and construction of the Odor Control Facility, part of the Eastside Wastewater Treatment Plant. Under the terms of this agreement, the City is obligated to pay approximately \$525,787 over a twenty-year period which is to begin in the fiscal year ending June 30, 2010. Future estimated payments are as follows:

<u>Year Ending June 30</u>	
2010	\$ 26,289
2011	26,289
2012	26,289
2013	26,289
2014	26,289
2015 – 2019	131,445
2020 – 2024	131,445
2025 – 2029	131,452
	<u>\$ 525,787</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**G. Interfund Balances and Activity**

Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2009, consist of the following:

From the Water and Sewer Fund to the General Fund for administrative costs	\$ 100,000
From the Stormwater Fund to the General Fund for administrative costs and reimbursement for direct Stormwater expenditures incurred before the Stormwater Fund was established	<u>102,300</u>
Total	<u>\$ 202,300</u>

**III. Jointly Governed Organization**

The City, in conjunction with six counties and 25 other municipalities established the Piedmont Triad Regional Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$2,001 to the Council during the fiscal year ended June 30, 2009.

**IV. Joint Ventures**

The City, in conjunction with five other governments, participates in the Piedmont Triad Regional Water Authority. The Authority was established to construct a dam facility, water treatment plant and related distribution lines. The dam construction has been completed, and ground has been broken for construction of the water treatment plant. The participating governments are legally obligated under the intergovernmental agreement that created the Authority to contribute a pre-determined share of the construction costs. During the year ended June 30, 2009, the City paid \$68,497 to the Authority; consisting of \$25,610 capital contribution and \$42,887 for the City's share of the Authority's operating expenses. According to the joint governmental agreement, the participating governments do not have an equity interest in the joint venture, but rather rights to water in the reservoir. After the water treatment plant is constructed, the participating governments have the right to purchase future treated water based upon their pre-determined share, according to a uniform rate structure to be set by the Authority. An intangible asset in the amount of \$4,188,165, for water rights, has been recorded at cost in the government-wide financial statements as of June 30, 2009. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 2216 West Meadowview Road, Greensboro, North Carolina.



**CITY OF ARCHDALE, NORTH CAROLINA**  
Notes to the Financial Statements (Continued)  
For the Fiscal Year Ended June 30, 2009

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**V. Summary Disclosure of Significant Contingencies**

**Federal and State Assisted Programs**

The City has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.



***Required Supplemental Financial Data***

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**CITY OF ARCHALE, NORTH CAROLINA**  
Law Enforcement Officers' Special Separation Allowance  
Required Supplementary Information  
Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
12/31/1999	\$ -	\$ 114,044	\$ 114,044	0.00%	\$ 761,558	14.98%
12/31/2000	-	188,994	188,994	0.00%	657,895	28.73%
12/31/2001	-	243,320	243,320	0.00%	719,254	33.83%
12/31/2002	-	258,348	258,348	0.00%	736,237	35.09%
12/31/2003	-	251,717	251,717	0.00%	759,151	33.16%
12/31/2004	-	291,467	291,467	0.00%	811,969	35.90%
12/31/2005	-	281,746	281,746	0.00%	954,177	29.53%
12/31/2006	-	299,387	299,387	0.00%	1,034,205	28.95%
12/31/2007	-	327,278	327,278	0.00%	1,070,066	30.58%
12/31/2008	-	309,854	309,854	0.00%	1,073,859	28.85%

**CITY OF ARCHDALE, NORTH CAROLINA**  
Law Enforcement Officers' Special Separation Allowance  
Required Supplementary Information  
Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Annual Percentage Contributed</u>
2005	\$ 29,759	54.57%
2006	34,980	46.43%
2007	35,151	46.20%
2008	37,217	43.64%
2009	40,468	100.04%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation Date	12/31/2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay Closed
Remaining Amortization Period	22 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Projected Salary Increases	4.5% - 12.3%
Includes Inflation at	3.75%
Cost of Living Adjustments	N/A

**CITY OF ARCHALE, NORTH CAROLINA**

Other Postemployment Benefits

Required Supplementary Information

Schedule of Funding Progress

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
12/31/2008	\$ -	\$ 232,918	\$ 232,918	0.00%	\$ 2,581,960	9.00%

**CITY OF ARCHDALE, NORTH CAROLINA**  
Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Employer Contributions

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<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Annual Percentage Contributed</u>
2009	\$ 31,199	30.39%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation Date	12/31/2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.00%
Medical Cost Trend	10.50% - 5.00%
Includes Inflation at	3.75%
Cost of Living Adjustments	N/A





***Major Governmental Funds***

***General Fund***

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**CITY OF ARCHDALE, NORTH CAROLINA**  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
<b>Ad Valorem Taxes</b>			
Current Year - Property	\$	\$ 2,705,575	\$
Prior Years - Property		17,488	
Penalties and Interest		8,612	
<b>Total Ad Valorem Taxes</b>	<u>2,671,700</u>	<u>2,731,675</u>	<u>59,975</u>
<b>Unrestricted Intergovernmental</b>			
Local Option Sales Tax		1,519,428	
Utility Franchise Tax		551,551	
Beer and Wine Tax		43,214	
ABC Profit Distribution		816	
<b>Total Unrestricted Intergovernmental</b>	<u>2,132,300</u>	<u>2,115,009</u>	<u>(17,291)</u>
<b>Restricted Intergovernmental</b>			
Federal Grants		25,452	
Powell Bill Allocation		302,323	
Controlled Substance Tax		117,635	
Randolph County		10,000	
<b>Total Restricted Intergovernmental</b>	<u>435,500</u>	<u>455,410</u>	<u>19,910</u>
<b>Licenses and Permits</b>			
Building Permits and Fees		5,860	
Privilege Licenses		53,400	
<b>Total Licenses and Permits</b>	<u>57,550</u>	<u>59,260</u>	<u>1,710</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)  
Budget and Actual  
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Sales and Services</b>			
Recreation Department Fees	\$	\$ 222,656	\$
Solid Waste		532,474	
Recycling		182,959	
CATV Franchise		14,716	
Shared Expense Reimbursement		40,477	
<b>Total Sales and Services</b>	<u>984,000</u>	<u>993,282</u>	<u>9,282</u>
<b>Investment Earnings</b>			
General Fund		111,374	
Powell Bill		7,292	
<b>Total Investment Earnings</b>	<u>87,000</u>	<u>118,666</u>	<u>31,666</u>
<b>Miscellaneous</b>			
Proceeds from Sales of Fixed Assets		19,274	
Other		54,410	
<b>Total Miscellaneous</b>	<u>22,400</u>	<u>73,684</u>	<u>51,284</u>
<b>Total Revenues</b>	<u>6,390,450</u>	<u>6,546,986</u>	<u>156,536</u>
<b>Expenditures</b>			
<b>Governing Body</b>			
Salaries and Employee Benefits		35,007	
Other Operating Expenditures		15,125	
<b>Total Governing Body</b>	<u>62,455</u>	<u>50,132</u>	<u>12,323</u>
<b>Administration</b>			
Salaries and Employee Benefits		205,437	
Other Operating Expenditures		18,124	
<b>Total Administration</b>	<u>239,925</u>	<u>223,561</u>	<u>16,364</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)  
Budget and Actual  
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Finance</b>			
Salaries and Employee Benefits	\$	\$ 251,600	\$
Contract Services		36,615	
Other Operating Expenditures		27,421	
<b>Total Finance</b>	<u>328,040</u>	<u>315,636</u>	<u>12,404</u>
<b>Legal</b>			
Professional Services	<u>50,000</u>	<u>28,052</u>	<u>21,948</u>
<b>Buildings and Grounds</b>			
Salaries and Employee Benefits		7,654	
Other Operating Expenditures		60,163	
<b>Total Buildings and Grounds</b>	<u>102,138</u>	<u>67,817</u>	<u>34,321</u>
<b>Police</b>			
Salaries and Employee Benefits		1,623,629	
Repairs and Maintenance		38,640	
Fuel, Gas, and Oil		48,263	
Other Operating Expenditures		182,381	
Debt Service:			
Principal		21,150	
Interest		96	
Capital Outlay		146,488	
<b>Total Police</b>	<u>2,192,627</u>	<u>2,060,647</u>	<u>131,980</u>
<b>Animal Control</b>			
Salaries and Employee Benefits		48,641	
Other Operating Expenditures		3,165	
<b>Total Animal Control</b>	<u>57,185</u>	<u>51,806</u>	<u>5,379</u>
<b>Fire Inspections</b>			
Contract Services	<u>27,867</u>	<u>27,867</u>	<u>-</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)  
Budget and Actual  
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Planning and Zoning</b>			
Salaries and Employee Benefits	\$	\$ 193,841	\$
Other Operating Expenditures		35,285	
<b>Total Planning and Zoning</b>	<u>303,865</u>	<u>229,126</u>	<u>74,739</u>
<b>Streets</b>			
Salaries and Employee Benefits		248,031	
Utilities		132,045	
Repairs and Maintenance		13,599	
Other Operating Expenditures		54,126	
Debt Service:			
Principal		3,732	
Interest		17	
Capital Outlay		155,395	
<b>Total Streets</b>	<u>662,490</u>	<u>606,945</u>	<u>55,545</u>
<b>Streets - Powell Bill</b>			
Street Repairs and Maintenance		10,779	
Capital Outlay		19,311	
<b>Total Streets - Powell Bill</b>	<u>252,500</u>	<u>30,090</u>	<u>222,410</u>
<b>Sanitation</b>			
Contract Services	<u>733,900</u>	<u>675,947</u>	<u>57,953</u>
<b>Parks and Recreation</b>			
Salaries and Employee Benefits		473,096	
Utilities		39,839	
Repairs and Maintenance		48,435	
Other Operating Expenditures		151,878	
Capital Outlay		52,502	
<b>Total Parks and Recreation</b>	<u>831,820</u>	<u>765,750</u>	<u>66,070</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)  
Budget and Actual  
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Senior Adults Association</b>			
Other Operating Expenditures	\$ 12,035	\$ 11,100	\$ 935
<b>Library</b>			
Payment to Randolph County		68,644	
Other Operating Expenditures		32,209	
Debt Service:			
Principal		104,160	
Interest		9,972	
<b>Total Library</b>	<u>220,475</u>	<u>214,985</u>	<u>5,490</u>
<b>Community Promotions</b>			
Other Operating Expenditures	<u>70,027</u>	<u>57,553</u>	<u>12,474</u>
<b>Non-Departmental</b>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
<b>Total Expenditures</b>	<u>6,222,349</u>	<u>5,417,014</u>	<u>805,335</u>
<b>Revenues Over (Under) Expenditures</b>	<u>168,101</u>	<u>1,129,972</u>	<u>961,871</u>
<b>Other Financing Sources</b>			
Transfers In:			
Water and Sewer Fund	<u>264,000</u>	<u>202,300</u>	<u>(61,700)</u>
<b>Total Other Financing Sources</b>	<u>264,000</u>	<u>202,300</u>	<u>(61,700)</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)  
Budget and Actual  
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	\$ 432,101	\$ 1,332,272	\$ 900,171
<b>Fund Balance Appropriated</b>	<u>(432,101)</u>	<u>-</u>	<u>432,101</u>
<b>Net Change in Fund Balance</b>	\$ <u><u>-</u></u>	1,332,272	\$ <u><u>1,332,272</u></u>
<b>Fund Balance - Beginning of Year</b>		<u>5,123,514</u>	
<b>Fund Balance - End of Year</b>		\$ <u><u>6,455,786</u></u>	





## ***Nonmajor Governmental Funds***

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**CITY OF ARCHDALE, NORTH CAROLINA**  
Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2009

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	<b>PARTF Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and Investments	\$           36,490	\$           36,490
Due from Other Governments	<u>          213,619</u>	<u>          213,619</u>
<b>Total Assets</b>	\$ <u>          250,109</u>	\$ <u>          250,109</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable and Accrued Liabilities	\$ <u>                  322</u>	\$ <u>                  322</u>
<b>Total Liabilities</b>	<u>                  322</u>	<u>                  322</u>
<b>Fund Balances:</b>		
Unreserved	<u>          249,787</u>	<u>          249,787</u>
<b>Total Fund Balances</b>	<u>          249,787</u>	<u>          249,787</u>
<b>Total Liabilities and Fund Balances</b>	\$ <u>          250,109</u>	\$ <u>          250,109</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2009

	<b>PARTF Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>		
Restricted Intergovernmental	\$ 208,419	\$ 208,419
<b>Expenditures</b>		
Parks and Recreation	<u>329,426</u>	<u>329,426</u>
<b>Excess (Deficiency) of     Revenues Over Expenditures</b>	(121,007)	(121,007)
<b>Other Financing Sources</b>		
Transfers from Other Funds	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(121,007)	(121,007)
<b>Fund Balance, Beginning</b>	<u>370,794</u>	<u>370,794</u>
<b>Fund Balance, Ending</b>	\$ <u><u>249,787</u></u>	\$ <u><u>249,787</u></u>



***Nonmajor Governmental Funds***

***Capital Project Funds***

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**CITY OF ARCHDALE, NORTH CAROLINA**  
 Capital Projects Funds  
 PARTF Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2009

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Restricted Intergovernmental:					
PARTF Grant	\$ 464,469	\$ -	\$ 208,419	\$ 208,419	\$ (256,050)
<b>Expenditures</b>					
Parks and Recreation					
Capital Outlay	<u>928,938</u>	<u>93,675</u>	<u>329,426</u>	<u>423,101</u>	<u>505,837</u>
<b>Revenues Over (Under)</b>					
<b>Expenditures</b>	<u>(464,469)</u>	<u>(93,675)</u>	<u>(121,007)</u>	<u>(214,682)</u>	<u>(761,887)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in:					
General Fund	<u>464,469</u>	<u>464,469</u>	<u>-</u>	<u>464,469</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>464,469</u>	<u>464,469</u>	<u>-</u>	<u>464,469</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	\$ <u>-</u>	\$ <u>370,794</u>	(121,007)	\$ <u>249,787</u>	\$ <u>(761,887)</u>
<b>Fund Balance, Beginning</b>			<u>370,794</u>		
<b>Fund Balance, Ending</b>			\$ <u>249,787</u>		





***Major Enterprise Funds***

***Water and Sewer Fund***

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**CITY OF ARCHDALE, NORTH CAROLINA**  
Water and Sewer Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2009

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Operating Revenues</b>			
Water Charges	\$ 1,255,900	\$ 1,145,010	\$ (110,890)
Sewer Charges	1,831,600	1,697,865	(133,735)
Water and Sewer Taps	20,000	6,600	(13,400)
Other Operating Revenues	130,000	137,862	7,862
<b>Total Operating Revenues</b>	<u>3,237,500</u>	<u>2,987,337</u>	<u>(250,163)</u>
<b>Nonoperating Revenues</b>			
Investment Earnings	<u>20,000</u>	<u>27,985</u>	<u>7,985</u>
<b>Restricted Intergovernmental</b>			
Federal Grants	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>
<b>Total Revenues</b>	<u>3,327,500</u>	<u>3,015,322</u>	<u>(242,178)</u>
<b>Expenditures</b>			
Salaries and Employee Benefits		345,342	
Water Purchases		490,782	
Waste Disposal and Treatment Costs		330,358	
Other Operating Expenditures		390,013	
Debt Service:			
Principal		485,605	
Interest		234,256	
Water Rights		25,610	
Capital Outlay		79,356	
<b>Total Expenditures</b>	<u>2,899,650</u>	<u>2,381,322</u>	<u>518,328</u>
<b>Revenue Over Expenditures</b>	<u>427,850</u>	<u>634,000</u>	<u>276,150</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
Water and Sewer Fund  
Schedule of Revenues and Expenditures (Continued)  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out:			
General Fund	\$ (175,000)	\$ (100,000)	\$ 75,000
<b>Total Other Financing Sources (Uses)</b>	<u>(175,000)</u>	<u>(100,000)</u>	<u>75,000</u>
<b>Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	252,850	534,000	351,150
<b>Fund Balance Appropriated</b>	<u>(252,850)</u>	<u>-</u>	<u>252,850</u>
<b>Net Change in Fund Balance</b>	\$ <u><u>-</u></u>	\$ <u><u>534,000</u></u>	\$ <u><u>604,000</u></u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
Water and Sewer Fund  
Schedule of Revenues and Expenditures (Continued)  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		\$ <u>534,000</u>	
Reconciling Items:			
Depreciation Expense		(528,840)	
Amortization Expense		(112,500)	
Principal Retirement		485,605	
Capital Outlays		79,356	
Accrued Vacation		(6,668)	
Other Postemployment Benefits		(4,026)	
Purchase of Water Rights		25,610	
Investment Earnings - Water and Sewer Capital Reserve Fund		39,846	
Operating Revenues - Water and Sewer Capital Reserve Fund		<u>7,180</u>	
Total Reconciling Items		<u>(14,437)</u>	
<b>Net Income</b>		\$ <u><u>519,563</u></u>	

**CITY OF ARCHDALE, NORTH CAROLINA**  
Water and Sewer Capital Reserve Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2009

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
<b>Operating Revenues</b>			
Impact Fees	\$ 22,000	\$ 5,750	\$ (16,250)
Acreage Fees	12,500	1,430	(11,070)
<b>Total Operating Revenues</b>	<u>34,500</u>	<u>7,180</u>	<u>(27,320)</u>
<b>Nonoperating Revenues</b>			
Investment Earnings	<u>35,500</u>	<u>39,846</u>	<u>4,346</u>
<b>Total Revenues</b>	<u>70,000</u>	<u>47,026</u>	<u>(22,974)</u>
<b>Appropriated Fund Balance</b>	<u>(70,000)</u>	<u>-</u>	<u>70,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 47,026</u>	<u>\$ 47,026</u>



***Nonmajor Enterprise Funds***

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**CITY OF ARCHDALE, NORTH CAROLINA**  
Stormwater Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Stormwater Fees	\$ 467,400	\$ 460,452	\$ (6,948)
Other Revenues	<u>-</u>	<u>24</u>	<u>24</u>
<b>Nonoperating Revenues</b>			
Investment Earnings	<u>2,000</u>	<u>1,329</u>	<u>(671)</u>
<b>Total Revenues</b>	<u>469,400</u>	<u>461,805</u>	<u>(7,595)</u>
<b>Expenditures</b>			
Salaries and Employee Benefits		141,451	
Other Operating Expenditures		64,693	
Debt Service:			
Principal		23,058	
Interest		<u>2,546</u>	
<b>Total Expenditures</b>	<u>336,800</u>	<u>231,748</u>	<u>105,052</u>
<b>Revenue Over (Under) Expenditures</b>	<u>132,600</u>	<u>230,057</u>	<u>97,457</u>
<b>Other Financing Sources</b>			
Transfer Out:			
General Fund	<u>(89,000)</u>	<u>(102,300)</u>	<u>(13,300)</u>
<b>Total Other Financing Sources</b>	<u>(89,000)</u>	<u>(102,300)</u>	<u>(13,300)</u>
<b>Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>43,600</u>	<u>127,757</u>	<u>84,157</u>
<b>Fund Balance Appropriated</b>	<u>(43,600)</u>	<u>-</u>	<u>43,600</u>
<b>Net Change in Fund Balance</b>	\$ <u><u>-</u></u>	\$ <u><u>127,757</u></u>	\$ <u><u>127,757</u></u>



**CITY OF ARCHDALE, NORTH CAROLINA**  
Stormwater Fund  
Schedule of Revenues and Expenditures (Continued)  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2009

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and Other Financing Sources			
Over (Under) Expenditures		\$ <u>127,757</u>	
Reconciling Items:			
Depreciation Expense		(18,686)	
Principal Retirement		23,058	
Accrued Vacation		(3,128)	
Other Postemployment Benefits		<u>(1,509)</u>	
Total Reconciling Items		<u>(265)</u>	
<b>Net Income</b>		\$ <u><u>127,492</u></u>	



## ***Other Schedules***

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**CITY OF ARCHDALE, NORTH CAROLINA**  
General Fund  
Schedule of Ad Valorem Taxes Receivable  
June 30, 2009

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2008</u>	<u>Additions and Adjustments</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2009</u>
2008-09	\$ -	\$ 2,531,434	\$ 2,512,373	\$ 19,061
2007-09	7,657		4,753	2,904
2006-07	1,151	-	525	626
2005-06	509	-	74	435
2004-05	175	-	2	173
2003-04	125	-	2	123
2002-03	238	-	14	224
2001-02	171	-	64	107
2000-01	4,864	-	6	4,858
1999-00	774	-	6	768
1998-99	282	-	282	-
1997-98	-	-	-	-
	<u>15,946</u>	<u>2,531,434</u>	<u>2,518,101</u>	<u>29,279</u>
Plus Uncollected Taxes Receivable on Registered Vehicles				
2008-09	-	270,116	243,184	26,932
Prior Years	<u>47,748</u>	<u>-</u>	<u>30,193</u>	<u>17,555</u>
	<u>47,748</u>	<u>270,116</u>	<u>273,377</u>	<u>44,487</u>
	\$ <u><u>63,694</u></u>	\$ <u><u>2,801,550</u></u>	\$ <u><u>2,791,478</u></u>	\$ <u><u>73,766</u></u>
<u>Reconcilement with Revenues</u>				
Ad Valorem Taxes - General Fund				\$ 2,731,675
Reconciling Items:				
Discounts Allowed				32,150
Taxes Released, Written Off, and Refunds				36,265
Interest and Penalties Collected				<u>(8,612)</u>
Total Collections and Credits			\$ <u><u>2,791,478</u></u>	

**CITY OF ARCHDALE, NORTH CAROLINA**

Analysis of Current Tax Levy

City-Wide Levy

June 30, 2009

				Total Levy	
		Town-Wide		Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate Per \$100	Amount of Levy		
<b>Original Levy:</b>					
Property Taxed at					
Current Year's Rate	\$ 937,000,690	\$ 0.290	\$ 2,717,302	\$ 2,447,186	\$ 270,116
Penalties	-		206	206	-
	<u>937,000,690</u>		<u>2,717,508</u>	<u>2,447,392</u>	<u>270,116</u>
<b>Discoveries:</b>					
Current Year Taxes	<u>28,980,000</u>	0.290	<u>84,042</u>	<u>84,042</u>	<u>-</u>
<b>Total Property Valuations</b>	<u>\$ 965,980,690</u>				
<b>Net Levy</b>			2,801,550	2,531,434	270,116
<b>Uncollected Taxes at June 30, 2009</b>			<u>(45,993)</u>	<u>(19,061)</u>	<u>(26,932)</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 2,755,557</u>	<u>\$ 2,512,373</u>	<u>\$ 243,184</u>
<b>Current Levy Collection Percentage</b>			<u>98.36%</u>	<u>99.25%</u>	<u>90.03%</u>



## Statistical Section

This part of the City of Archdale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

### **Financial Trends**

These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the City's ability to generate its property and sales taxes.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Net Assets by Component  
Last Six Fiscal Years  
(Accrual Basis of Accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Net assets:</b>						
Governmental activities:						
Invested in capital assets, net of related debt	\$ 8,555,195	\$ 9,496,383	\$ 9,786,997	\$ 10,284,364	\$ 10,657,135	\$ 11,065,349
Restricted	130,527	315,149	224,919	535,723	307,259	649,045
Unrestricted	<u>3,695,714</u>	<u>3,583,948</u>	<u>3,993,898</u>	<u>4,136,658</u>	<u>4,994,860</u>	<u>5,861,715</u>
Total governmental activities net assets	<u>\$ 12,381,436</u>	<u>\$ 13,395,480</u>	<u>\$ 14,005,814</u>	<u>\$ 14,956,745</u>	<u>\$ 15,959,254</u>	<u>\$ 17,576,109</u>
Business-type activities:						
Invested in capital assets, net of related debt	\$ 11,743,838	\$ 13,516,821	\$ 13,402,899	\$ 15,623,270	\$ 17,079,546	\$ 17,033,149
Unrestricted	<u>3,670,380</u>	<u>2,273,371</u>	<u>2,457,935</u>	<u>2,162,621</u>	<u>2,703,903</u>	<u>3,397,355</u>
Total business-type activities net assets	<u>\$ 15,414,218</u>	<u>\$ 15,790,192</u>	<u>\$ 15,860,834</u>	<u>\$ 17,785,891</u>	<u>\$ 19,783,449</u>	<u>\$ 20,430,504</u>
Primary government						
Invested in capital assets, net of related debt	\$ 20,299,033	\$ 23,013,204	\$ 23,189,896	\$ 25,907,634	\$ 27,736,681	\$ 28,098,498
Restricted	130,527	315,149	224,919	535,723	307,259	649,045
Unrestricted	<u>7,366,094</u>	<u>5,857,319</u>	<u>6,451,833</u>	<u>6,299,279</u>	<u>7,698,763</u>	<u>9,259,070</u>
Total primary government net assets	<u>\$ 27,795,654</u>	<u>\$ 29,185,672</u>	<u>\$ 29,866,648</u>	<u>\$ 32,742,636</u>	<u>\$ 35,742,703</u>	<u>\$ 38,006,613</u>

Data is presented since implementation of Government Accounting Standards Board Statement No. 34.

SOURCE: THE SOURCES FOR THE DATA PROVIDED IN THE FINANCIAL TRENDS PORTION OF THE STATISTICAL SECTION ARE THE CURRENT AND PRIOR YEARS' AUDITED FINANCIAL STATEMENTS FOR THE CITY.



**CITY OF ARCHDALE, NORTH CAROLINA**  
**Changes in Net Assets**  
**Last Six Fiscal Years**  
**(Accrual Basis of Accounting)**

	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
Governmental activities:						
General government	\$ 686,716	\$ 706,813	\$ 546,520	\$ 850,687	\$ 777,112	\$ 702,448
Public safety	1,599,896	1,795,182	2,043,100	2,043,236	2,390,055	2,398,905
Transportation	546,605	660,865	920,710	705,117	997,130	528,259
Cultural and recreation	693,243	750,125	832,645	897,823	958,280	983,020
Environmental protection	538,647	565,356	616,886	601,504	680,868	675,947
Community Promotions	43,920	47,018	116,302	118,170	60,111	57,553
Interest on Long-Term Debt	69,382	28,135	27,659	21,715	15,656	10,085
Total Governmental Activities Expenses	<u>4,178,409</u>	<u>4,553,494</u>	<u>5,103,822</u>	<u>5,238,252</u>	<u>5,879,212</u>	<u>5,356,217</u>
Business-Type Activities:						
Water and Sewer	1,710,518	1,985,749	2,218,056	2,294,300	2,487,739	2,442,785
Stormwater	-	-	-	-	133,284	232,013
Total Business-Type Activities Expenses	<u>1,710,518</u>	<u>1,985,749</u>	<u>2,218,056</u>	<u>2,294,300</u>	<u>2,621,023</u>	<u>2,674,798</u>
Total primary government expenses	<u>\$ 5,888,927</u>	<u>\$ 6,539,243</u>	<u>\$ 7,321,878</u>	<u>\$ 7,532,552</u>	<u>\$ 8,500,235</u>	<u>\$ 8,031,015</u>
<b>Program revenues</b>						
Governmental activities:						
Charges for services:						
General government	\$ 28,152	\$ 35,564	\$ 37,518	\$ 71,701	\$ 68,934	\$ -
Environmental protection	383,099	390,055	401,766	588,702	699,511	774,693
Cultural and recreation	255,480	223,661	209,955	239,823	331,801	263,133
Operating grants and contributions:						
Public safety	60,395	75,499	73,240	105,835	103,387	143,087
Transportation	270,350	303,554	299,000	293,996	328,634	302,323
Cultural and recreation	-	33,000	30,000	38,523	-	10,000
Capital grants and contributions:						
Public safety	27,541	-	-	62,869	30,625	-
Cultural and recreation	168,500	98,142	175,000	-	-	208,419
Total governmental activities program revenues	<u>1,193,517</u>	<u>1,159,475</u>	<u>1,226,479</u>	<u>1,401,449</u>	<u>1,562,892</u>	<u>1,701,655</u>
Business-type activities:						
Water and sewer:						
Charges for services	1,960,508	2,119,762	2,389,519	2,743,188	3,084,629	2,994,517
Operating grants and contributions	39,923	15,974	-	-	-	-
Capital grants and contributions	96,462	172,022	-	1,390,083	1,383,087	-
Stormwater:						
Charges for services	-	-	-	-	189,309	460,476
Total business-type activities program revenues	<u>2,096,893</u>	<u>2,307,758</u>	<u>2,389,519</u>	<u>4,133,271</u>	<u>4,657,025</u>	<u>3,454,993</u>
Total primary government program revenues	<u>\$ 3,290,410</u>	<u>\$ 3,467,233</u>	<u>\$ 3,615,998</u>	<u>\$ 5,534,720</u>	<u>\$ 6,219,917</u>	<u>\$ 5,156,648</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Changes in Net Assets**  
**Last Six Fiscal Years**  
**(Accrual Basis of Accounting)**

	2004	2005	2006	2007	2008	2009
<b>Total net (expense) revenue by program:</b>						
Governmental activities:						
General government	\$ (658,564)	\$ (671,249)	\$ (509,002)	\$ (778,986)	\$ (708,178)	\$ (702,448)
Public safety	(1,511,960)	(1,719,683)	(1,969,860)	(1,874,532)	(2,256,043)	(2,255,818)
Transportation	(276,255)	(357,311)	(621,710)	(411,121)	(668,496)	(225,936)
Cultural and recreation	(269,263)	(395,322)	(417,690)	(619,477)	(626,479)	(501,468)
Environmental protection	(155,548)	(175,301)	(215,120)	(12,802)	18,643	98,746
Community promotions	(43,920)	(47,018)	(116,302)	(118,170)	(60,111)	(57,553)
Interest on Long-Term Debt	(69,382)	(28,135)	(27,659)	(21,715)	(15,656)	(10,085)
Business-type activities:						
Water and sewer	386,375	322,009	171,463	1,838,971	1,979,977	551,732
Stormwater	-	-	-	-	56,025	228,463
Total net program (expense) revenue	<u>\$ (2,598,517)</u>	<u>\$ (3,072,010)</u>	<u>\$ (3,705,880)</u>	<u>\$ (1,997,832)</u>	<u>\$ (2,280,318)</u>	<u>\$ (2,874,367)</u>
<b>General revenues and transfers</b>						
Governmental activities:						
Taxes:						
Property taxes, levied for general purposes	\$ 1,751,785	\$ 2,079,345	\$ 2,154,189	\$ 2,230,374	\$ 2,689,352	\$ 2,747,042
Other taxes	1,545,598	1,552,343	1,622,017	1,705,078	1,680,961	2,129,725
Grants and contributions not restricted to specific programs	325,079	355,546	412,777	493,998	571,256	118,666
Investment earnings, unrestricted	32,037	67,203	171,230	228,326	208,757	73,684
Miscellaneous	103,905	218,626	17,464	28,737	58,503	-
Transfers	105,000	135,000	110,000	110,000	110,000	202,300
Total governmental activities general revenues and transfers	<u>3,863,404</u>	<u>4,408,063</u>	<u>4,487,677</u>	<u>4,796,513</u>	<u>5,318,829</u>	<u>5,271,417</u>
Business-type activities:						
Water and sewer:						
Investment earnings, unrestricted	32,492	60,152	146,283	196,106	71,556	69,160
Miscellaneous	(11,690)	128,813	-	-	-	-
Transfers	(105,000)	(135,000)	(110,000)	(110,000)	(110,000)	(100,000)
Stormwater:						
Transfers	-	-	-	-	-	(102,300)
Total business-type activities general revenues and transfers	<u>(84,198)</u>	<u>53,965</u>	<u>36,283</u>	<u>86,106</u>	<u>(38,444)</u>	<u>(133,140)</u>
Total net program (expense) revenue	<u>(2,598,517)</u>	<u>(3,072,010)</u>	<u>(3,705,880)</u>	<u>(1,997,832)</u>	<u>5,280,385</u>	<u>5,138,277</u>
<b>Total change in net assets:</b>						
Governmental activities	878,512	1,014,044	610,334	959,710	1,002,509	1,616,855
Business-type activities	<u>302,177</u>	<u>375,974</u>	<u>207,746</u>	<u>1,925,077</u>	<u>1,997,558</u>	<u>647,055</u>
Total primary government	<u>\$ 1,180,689</u>	<u>\$ 1,390,018</u>	<u>\$ 818,080</u>	<u>\$ 2,884,787</u>	<u>\$ 3,000,067</u>	<u>\$ 2,263,910</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Fund Balance - Governmental Funds**  
**Last Ten Fiscal Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Fund Balance</b>										
General Fund										
Reserved:										
Reserved for prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,383	\$ 22,544	\$ 590	\$ 4,272	\$ 36,736
Reserved by state statute	343,994	364,489	380,319	492,446	585,081	609,117	668,146	732,492	732,492	1,553,358
Reserved for streets - Powell Bill	-	-	-	-	130,527	278,507	202,351	499,509	253,990	533,516
Reserved for public safety	-	-	-	-	-	36,642	22,568	36,214	53,269	115,529
Reserved for recreation	-	-	-	90,568	-	-	-	-	-	-
Unreserved:										
Designated for subsequent year's expenditures	1,269,531	205,400	84,341	-	-	-	506,175	570,174		
Designated for economic development	-	-	-	-	100,000	150,000	175,000	200,000	225,000	250,000
Undesignated	745,266	1,621,528	1,987,379	2,485,862	3,119,435	2,898,372	2,764,380	2,817,573	3,854,491	3,966,647
Total general fund	<u>\$ 2,358,791</u>	<u>\$ 2,191,417</u>	<u>\$ 2,452,039</u>	<u>\$ 3,068,876</u>	<u>\$ 3,935,043</u>	<u>\$ 3,991,021</u>	<u>\$ 4,361,164</u>	<u>\$ 4,856,552</u>	<u>\$ 5,123,514</u>	<u>\$ 6,455,786</u>
All other governmental funds										
Reserved:										
Reserved by state statute, capital projects fund	\$ -	\$ 798	\$ 3,688	\$ 5,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undesignated, capital projects fund	-	721,813	15,326	27,296	-	-	-	-	370,794	249,787
Total all other governmental funds	<u>\$ -</u>	<u>\$ 722,611</u>	<u>\$ 19,014</u>	<u>\$ 32,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,794</u>	<u>\$ 249,787</u>

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Ad Valorem Taxes	\$ 1,218,254	\$ 1,249,517	\$ 1,590,279	\$ 1,704,264	\$ 1,765,357	\$ 2,061,175	\$ 2,144,485	\$ 2,229,562	\$ 2,681,936	\$ 2,731,675
Unrestricted Intergovernmental	1,451,125	1,466,751	1,310,087	1,518,424	1,782,310	1,810,447	1,938,044	2,142,614	2,237,515	2,115,009
Restricted Intergovernmental	336,655	320,712	315,372	622,470	524,630	384,685	487,871	383,133	432,021	663,829
Licenses and Permits	17,064	16,229	17,672	102,101	116,171	35,155	37,518	71,701	68,934	59,260
Sales and Services	-	-	-	557,121	638,579	720,759	798,005	998,077	1,046,014	993,282
Investment Earnings	250,543	246,961	123,045	68,416	34,541	71,391	165,637	228,326	208,757	118,666
Miscellaneous	551,600	562,500	710,932	98,523	103,905	127,245	17,300	33,737	58,503	73,684
<b>Total Revenues</b>	<b>3,825,241</b>	<b>3,862,670</b>	<b>4,067,387</b>	<b>4,671,319</b>	<b>4,965,493</b>	<b>5,210,857</b>	<b>5,588,860</b>	<b>6,087,150</b>	<b>6,733,680</b>	<b>6,755,405</b>
<b>Expenditures</b>										
General Government	864,048	589,756	518,054	560,467	606,317	700,673	680,430	832,721	942,230	914,324
Public Safety	1,145,289	1,287,735	1,269,962	1,357,465	1,484,886	1,669,023	1,718,094	1,891,888	2,009,768	1,972,586
Public Works	459,978	590,810	473,674	692,438	518,374	625,026	864,406	649,937	934,024	458,580
Sanitation	402,311	459,605	449,894	462,517	538,647	565,356	616,886	601,504	680,868	675,947
Cultural and Recreation	477,252	813,222	1,273,950	552,101	592,790	653,056	729,577	804,858	928,693	825,201
Community Promotions	-	33,014	39,980	44,110	106,420	47,018	116,302	118,170	60,111	57,553
Capital Outlay	376,438	533,291	337,663	229,177	770,799	781,324	373,207	588,574	436,122	703,122
Debt Service:										
Principal	-	-	100,000	100,000	203,152	220,268	202,155	192,395	198,452	129,042
Interest	-	-	47,185	42,092	69,382	28,135	27,660	21,715	15,656	10,085
<b>Total Expenditures</b>	<b>3,725,316</b>	<b>4,307,433</b>	<b>4,510,362</b>	<b>4,040,367</b>	<b>4,890,767</b>	<b>5,289,879</b>	<b>5,328,717</b>	<b>5,701,762</b>	<b>6,205,924</b>	<b>5,746,440</b>
<b>Excess of Revenues Over (Under)</b>										
<b>Expenditures</b>	99,925	(444,763)	(442,975)	630,952	74,726	(79,022)	260,143	385,388	527,756	1,008,965
<b>Other Financing Sources (Uses), Net</b>										
Operating Transfers	(252,989)	-	-	-	105,000	135,000	110,000	110,000	110,000	202,300
Proceeds from Issuance of Debt	-	1,000,000	-	-	590,000	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	63,312	-	-	-	-	-
<b>Total Change in Fund Balance</b>	<b>(153,064)</b>	<b>555,237</b>	<b>(442,975)</b>	<b>630,952</b>	<b>833,038</b>	<b>55,978</b>	<b>370,143</b>	<b>495,388</b>	<b>637,756</b>	<b>1,211,265</b>
				630,322	833,668					
				630	(630)					
Debt Service as a Percentage of										
Noncapital Expenditures	0.00%	0.00%	3.53%	3.73%	6.61%	5.51%	4.64%	4.19%	3.71%	2.76%

Beginning in 2003 capital outlay includes only items valued in excess of \$5,000.

**CITY OF ARCHDALE, NORTH CAROLINA**  
General Governmental Tax Revenues by Source  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Beer and Wine Tax</b>	<b>Inventories Tax Reimbursement</b>	<b>Total</b>
2000	\$ 1,218,254	\$ 1,109,834	\$ 301,502	\$ -	\$ 39,789	2,669,379
2001	1,249,517	1,127,976	300,397	-	38,378	2,716,268
2002	1,590,279	1,096,650	175,580	-	37,857	2,900,366
2003	1,704,264	1,204,758	312,451	1,215	-	3,222,688
2004	1,765,357	1,457,231	323,141	1,233	-	3,546,962
2005	2,061,175	1,454,901	353,547	1,270	-	3,870,893
2006	2,144,485	1,525,103	395,033	16,935	-	4,081,556
2007	2,229,562	1,648,616	450,392	42,542	-	4,371,112
2008	2,681,936	1,666,259	526,844	43,615	-	4,918,654
2009	2,731,675	1,519,428	551,551	43,214	-	4,845,868
Change from 2000 to 2009	124.23%	36.91%	82.93%			81.54%

In North Carolina, property tax would be considered an own-source revenue. Information about the tax rate and assessed value is found in the Revenue Capacity tables in the Statistical Section.

Sales tax revenue is distributed to Archdale from Randolph County under the per capita distribution formula and from Guilford County under the ad valorem distribution formula. Sales tax revenue declined in 2009 because of a reduction in consumer spending during the recession.

Video franchise fee added starting in 2007.

A city or county is eligible to share in beer or wine excise tax revenues if beer or wine may legally be sold within its boundaries. Beer and wine tax was received for Guilford County population until a 2006 referendum approved sales throughout the rest of the city.

The State of North Carolina repealed the inventory tax reimbursement in 2002.

# CITY OF ARCHDALE, NORTH CAROLINA

## Property Tax Levies and Collections

### Last Ten Fiscal Years

Fiscal Year	Net Tax Levy	Collection within the Fiscal Year of Levy		Collection in Subsequent Years	Total Tax Collections	Total Tax Collections to Net Tax Levy	Outstanding Delinquent Taxes
		Amount	Percent				
2000	\$ 1,064,014	\$ 1,053,101	98.97%	\$ 10,145	\$ 1,063,246	99.93%	\$ 768
2001	\$ 1,083,480	\$ 1,075,452	99.26%	\$ 3,170	\$ 1,078,622	99.55%	\$ 4,858
2002	\$ 1,425,884	\$ 1,418,810	99.50%	\$ 6,967	\$ 1,425,777	99.99%	\$ 107
2003	\$ 1,522,255	\$ 1,518,447	99.75%	\$ 3,585	\$ 1,522,032	99.99%	\$ 223
2004	\$ 1,578,251	\$ 1,574,206	99.74%	\$ 3,922	\$ 1,578,128	99.99%	\$ 123
2005	\$ 1,877,693	\$ 1,873,223	99.76%	\$ 4,296	\$ 1,877,519	99.99%	\$ 174
2006	\$ 1,928,399	\$ 1,922,696	99.70%	\$ 5,268	\$ 1,927,964	99.98%	\$ 435
2007	\$ 2,038,225	\$ 2,032,654	99.73%	\$ 4,945	\$ 2,037,599	99.97%	\$ 626
2008	\$ 2,453,313	\$ 2,445,656	99.69%	\$ 4,753	\$ 2,450,409	99.88%	\$ 2,904
2009	\$ 2,531,434	\$ 2,512,373	99.25%	N/A	\$ 2,512,373	99.25%	\$ 17,700

Source: City of Archdale audited financial statements.

City of Archdale property taxes are collected by the Randolph County and Guilford County Tax Departments.

Net Tax Levy shown above excludes taxes levied on motor vehicles.

Randolph County does not separate prior year collection and delinquent balances of motor vehicle taxes by year.

On average, 90.2% of the motor vehicles net levy is collected in the current year. The \$17,555 balance of prior year motor vehicle tax due is .87% of the cumulative motor vehicle taxes levied for fiscal years ending June 30,2000 through June 30,2008.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Property Tax Rates - Direct and Overlapping Governments  
(Per \$100 of Assessed Value)  
Last Ten Fiscal Years

Fiscal Year	Randolph County					Guilford County			
	City of Archdale	Randolph County	Guil-Rand Fire District	Archdale Trinity School District	Combined Tax Rate	City of Archdale	Guilford County	Guil-Rand Fire District	Combined Tax Rate
2000	0.24	0.5125	0.1000	0.085	0.9375	0.24	0.6372	0.1000	0.9772
2001	0.24	0.5125	0.1000	0.085	0.9375	0.24	0.6372	0.1000	0.9772
2002	0.23	0.4800	0.1000	0.075	0.8850	0.23	0.6742	0.1000	1.0042
2003	0.23	0.4800	0.1000	0.075	0.8850	0.23	0.6742	0.1000	1.0042
2004	0.23	0.5000	0.1000	0.075	0.9050	0.23	0.7135	0.0725	1.0160
2005	0.26	0.5000	0.1000	0.085	0.9450	0.26	0.6184	0.0861	0.9645
2006	0.26	0.5250	0.1000	0.085	0.9700	0.26	0.6428	0.0861	0.9889
2007	0.26	0.5350	0.1000	0.085	0.9800	0.26	0.6615	0.1000	1.0215
2008	0.29	0.5350	0.1000	0.085	1.0100	0.29	0.6914	0.1000	1.0814
2009	0.29	0.5550	0.1000	0.090	1.0350	0.29	0.7374	0.1000	1.1274

Source: Randolph and Guilford County Finance Departments.  
The majority of Archdale is in Randolph County.

**CITY OF ARCHDALE, NORTH CAROLINA**  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property	Public Service Companies	Total	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Property Tax Rate (per \$100 Assessed Value)
	Assessed Value	Estimated Actual Value	Assessed Value	Assessed Value	Assessed Value			
2000	\$ 360,414,797	\$ 500,662,869	\$ 140,754,970	\$ 15,836,483	\$ 517,006,250	\$ 657,254,322	78.66%	0.24
2001	372,903,393	578,084,089	146,895,176	13,666,015	533,464,584	738,645,280	72.22%	0.24
2002	538,820,000	557,371,841	151,319,808	19,917,148	710,056,956	728,608,797	97.45%	0.23
2003	575,653,098	633,404,656	158,696,298	20,533,213	754,882,609	812,634,167	92.89%	0.23
2004	597,303,116	672,695,583	161,469,727	18,696,722	777,469,565	852,862,032	91.16%	0.23
2005	627,119,703	710,313,221	164,940,876	18,244,806	810,305,385	893,498,903	90.69%	0.26
2006	650,146,088	753,189,180	170,334,169	16,576,282	837,056,539	940,099,631	89.04%	0.26
2007	663,371,755	768,779,390	196,505,677	17,193,722	877,071,154	982,478,789	89.27%	0.26
2008	742,999,215	766,570,641	172,818,385	21,289,986	937,107,586	960,679,012	97.55%	0.29
2009	764,206,155	793,814,171	178,882,859	22,891,676	965,980,690	995,588,706	97.03%	0.29

Sources: Randolph County Tax Department and the Finance Departments for Randolph and Guilford Counties.

A revaluation of all property is required every eight (8) years by state statute.

Real property in Randolph County was revalued on January 1, 2007. Real property in Guilford County was revalued on January 1, 2005.

Personal property is appraised each year and assessed at 100% of appraised value.

Fiscal Year	Ratio of Assessed Value to Estimated Actual Value of Real Property	
	Randolph County	Guilford County
2000	71.51%	89.35%
2001	63.91%	88.50%
2002	96.99%	84.77%
2003	91.08%	83.19%
2004	89.00%	80.60%
2005	88.00%	99.35%
2006	86.00%	98.95%
2007	86.00%	96.90%
2008	97.00%	94.30%
2009	96.00%	93.60%



# CITY OF ARCHDALE, NORTH CAROLINA

Principal Taxpayers For the Year  
Fiscal Years Ended June 30, 2009 and 2000

		Fiscal Year 2009	
Taxpayer	Type of Enterprise	Assessed Valuation	Percent of Total Assessed Valuation
Sealy	Mattress Manufacturer	\$ 36,511,985	3.78%
Thomas Built Buses	Bus Manufacturer	19,518,342	2.02%
J L Darr & Son	Real Estate Developer/Contractor	16,335,625	1.69%
Hafele America Co	Architectural Hardware Manufacturer	12,107,272	1.25%
North State Telephone	Communications	10,312,821	1.07%
Benchmark Brookwood	Property Management/Rental	8,516,163	0.88%
Daly GC, Inc	Hotel Developer/Management	7,955,921	0.82%
Duke Energy Corp	Utility	6,370,980	0.66%
Alexandra Holdings, Inc.	Real Estate Developer/Management	6,168,990	0.64%
Walker, Billy R	Real Estate Developer/Contractor	5,150,390	0.53%
Total		<u>\$ 128,948,489</u>	13.35%

		Fiscal Year 2000	
Taxpayer	Type of Enterprise	Assessed Valuation	Percent of Total Assessed Valuation
Sealy	Mattress Manufacturer	\$ 14,933,614	2.89%
North State Telephone	Communications	8,555,811	1.65%
Unifi, Inc.	Yarn Manufacturer	7,439,122	1.44%
Hafele America Co	Architectural Hardware Manufacturer	7,154,207	1.38%
Benchmark Brookwood	Property Management/Rental	7,080,047	1.37%
Bryant Electric Company, Inc.	Electric Contractor	4,628,537	0.90%
Alexandra Holdings, Inc.	Real Estate Developer/Management	4,056,590	0.78%
Billy R. Walker	Real Estate Developer/Contractor	3,136,270	0.61%
Daly GC, Inc	Hotel Developer/Management	2,949,190	0.57%
Archdale Nursing Center	Assisted Living	2,880,441	0.56%
Total		<u>\$ 62,813,829</u>	12.15%

Source: Randolph County Tax Department.

**CITY OF ARCHDALE, NORTH CAROLINA**  
 Computation of Legal Debt Margin and Actual Debt  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>Legal Debt Limit</b>	<b>Installment Debt</b>	<b>Legal Debt Margin</b>	<b>Ratio of Outstanding Debt to Debt Limit</b>
2000	\$ 517,006,250	\$ 41,360,500	\$ -	\$ 41,360,500	0.000%
2001	533,464,584	42,677,167	-	42,677,167	0.000%
2002	710,056,956	56,804,556	875,000	55,929,556	1.540%
2003	754,882,609	60,390,609	775,000	59,615,609	1.283%
2004	777,469,565	62,197,565	1,161,849	61,035,716	1.868%
2005	810,305,385	64,824,431	941,581	63,882,850	1.453%
2006	837,056,539	66,964,523	739,425	66,225,098	1.104%
2007	877,071,154	70,165,692	547,031	69,618,661	0.780%
2008	937,107,586	74,968,607	348,579	74,620,028	0.465%
2009	965,980,690	77,278,455	219,537	77,058,918	0.284%

Under North Carolina General Statutes, the net debt of the City is not to exceed eight percent (8%) of the assessed value of property subject of taxation by the City. All debt issued for Archdale's government activities has been installment contract financing, where the financed asset is collateral for the debt.

Excludes business-type activities.

**CITY OF ARCHDALE, NORTH CAROLINA**  
 Computation of Direct and Overlapping Governmental Activities Debt  
 June 30, 2009

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to Archdale</u>	<u>Amount Applicable to Archdale</u>
<b>Randolph County</b>			
General obligation debt	\$ 1,735,000		
Installment purchases	134,285,949		
Note payable	816,264		
	<u>\$ 136,837,213</u>	9.48%	12,966,917
<b>Guilford County</b>			
General obligation debt/utility	\$ 20,826,261		
General obligation debt/other	\$ 673,528,739		
Lease purchase debt	4,783,962		
	<u>\$ 699,138,962</u>	2.17%	<u>15,146,861</u>
Subtotal, overlapping debt			28,113,778
<b>City of Archdale</b>			
Installment purchases			<u>219,537</u>
Total direct and overlapping debt			<u><u>\$ 28,333,315</u></u>

Sources: Outstanding debt and assessed value data provided by each governmental unit.

Includes all governmental activities debt.

Residents and businesses located within the City of Archdale boundaries are also in Randolph or Guilford County. Some businesses may extend into both counties. The purpose of this schedule is recognize that the entire debt burden borne by the residents and businesses should be taken into account when calculating the government's ability to issue and repay long-term debt.

The percentage of overlapping debt applicable to the City of Archdale is estimated using taxable assessed value information. Property tax is the largest governmental activities revenue source for these units and the rates are adopted by the governing boards in their annual budgets.

# CITY OF ARCHDALE, NORTH CAROLINA

## Outstanding Debt Ratios

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government Debt	Ratio of Outstanding Debt to Personal Income	Total Outstanding Debt per Capita
	Capital Lease	Installment Financing	Outstanding Debt per Capita	Installment Financing	Outstanding Debt per Capita			
2000	29,871	-	3	1,129,900	126	1,159,771	0.46%	129
2001	-	975,000	108	878,700	98	1,853,700	0.73%	206
2002	-	875,000	95	-	-	875,000	0.34%	95
2003	-	775,000	84	4,845,000	523	5,620,000	2.11%	607
2004	-	1,161,849	124	4,602,750	493	5,764,599	2.05%	617
2005	-	941,581	100	4,360,500	466	5,302,081	1.86%	566
2006	-	739,425	78	8,463,331	894	9,202,756	2.98%	972
2007	-	547,031	57	7,994,954	839	8,541,985	2.65%	896
2008	-	348,579	36	7,596,733	785	7,945,312	2.43%	821
2009	-	219,537	22	7,088,071	724	7,307,608	2.21%	746

Population data is shown on the Demographic Statistics schedule.

Personal income was determined by multiplying population by per capita income, as shown on the Demographic Statistics schedule.

Percentages for 2007 and 2008 were calculated using personal income amounts for 2006, the last year data is available.

# CITY OF ARCHDALE, NORTH CAROLINA

## Demographic Statistics

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Archdale Population (1)</b>	<b>Greensboro- High Point MSA Population (2)</b>	<b>Total Personal Income (2) (Thousands of Dollars)</b>	<b>Per Capita Income (2)</b>	<b>Unemployment Rate (3)</b>	<b>Archdale- Trinity Public School Enrollment (4)</b>
2000	8,998	645,430	18,138,041	28,102	3.5	4,478
2001	9,007	652,193	18,463,499	28,310	5.4	4,530
2002	9,208	656,502	18,599,507	28,331	6.5	4,612
2003	9,257	660,771	19,001,250	28,756	6.5	4,668
2004	9,339	664,643	20,060,617	30,183	5.5	4,746
2005	9,369	673,268	21,134,702	30,391	5.2	4,814
2006	9,472	684,558	22,323,072	32,609	4.8	4,914
2007	9,530	695,738	23,504,436	33,783	4.9	4,983
2008	9,682	(5)	(5)	(5)	6.5	5,060
2009	9,791	(5)	(5)	(5)	(5)	5,060

Source: (1) Office of Budget and Management for the State of North Carolina.

(2) Bureau of Economic Analysis Information for the Greensboro-High Point Metropolitan Statistical Area.  
The July 2009 preliminary unemployment rate, not seasonally adjusted, is 11.9%

(3) Bureau of Labor Statistics, Unemployment Rates for Metropolitan Areas, Annual Average Rankings

(4) Randolph County School Administration.

(5) Information is unavailable.

**CITY OF ARCHDALE, NORTH CAROLINA**

Principal Employers For the Year

Fiscal Year Ended June 30, 2009

<b>Employer</b>	<b>Type of Enterprise</b>	<b>Number of Employees</b>	<b>Percentage of Randolph County Total Employment</b>
Thomas Built Buses	Bus Manufacturer	1,300 *	1.856%
Sealy	Mattress Manufacturer	507	0.724%
United Furniture	Furniture Manufacturer	400 *	0.571%
Hafele America Co.	Architectural Hardware Manufacturer	200	0.286%
Randolph County School District	Public School	187	0.267%
Hubbell Industrial Controls, Inc.	Commercial Equipment	185	0.264%
Hendrix Batting Co.	Cotton Batting Manufacturer	180	0.257%
Stickley Furniture Company	Furniture Manufacturer	175	0.250%
Wayne Industries	Upholstery Manufacturer	143	0.204%
Dar/Ran Furniture Industries, Inc	Furniture Manufacturer	117	0.167%

Information provided by individual businesses based on leads provided by the Archdale-Trinity Chamber of Commerce, the Randolph County Economic Development Corporation (RCEDC), and city records.

\* Thomas Built Buses is partially located in High Point and United Furniture Co. is partially located in Trinity.

Total employment within the City of Archdale is not available.

RCEDC reports the approximate number of employees in Archdale's industrial base is 4,539.

Employment data for the period nine years ago has not been not researched. There were no comprehensive sources found for City of Archdale employment data.

# CITY OF ARCHDALE, NORTH CAROLINA

## Operating Indicators by Function

### Last Ten Fiscal Years

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety:										
Calls for Service	7,879	8,026	8,861	9,491	9,815	10,760	11,085	14,498	16,141	14,523
Traffic Accidents	389	344	415	446	475	433	558	534	537	493
Vice/Narcotic Calls	68	55	72	70	55	71	62	58	58	44
Animal Control Cases	486	437	780	851	780	631	646	474	879	618
Planning & Zoning:										
Zoning Permits Issued	221	218	190	190	188	160	159	133	146	99
Complaints Investigated	89	95	122	122	165	NA	117	270	294	355
Zoning Cases Prepared	35	10	10	10	11	17	23	10	10	9
Public Works:										
Leaf & Limb Pick-Up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Culture and Recreation:										
Summer Camp Participants	125	125	120	100	100	125	100	100	115	111
Youth Athletic Program Participants	500	548	656	752	888	943	1,115	960	936	1,230
After School Program Participants	90	90	90	90	90	90	70	65	58	55
Utility System:										
Number of Water Accounts Billed - June	3,638	3,763	3,928	4,040	4,201	4,366	4,479	4,760	4,843	
Gallons of Water Billed	215,220,990	217,036,200	252,535,150	213,169,250	251,635,100	250,417,896	273,840,500	276,955,600	276,984,112	260,908,900
Sewer Treatment Gallons	369,198,500	216,662,300	220,940,810	500,786,900	361,726,074	365,903,625	344,366,000	373,936,350	313,740,650	339,413,550

Sources: Various City Departments.

**CITY OF ARCHDALE, NORTH CAROLINA**  
**Full-Time City Government Employees by Function**  
**Last Ten Fiscal Years**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government	6	6	6	7	7	7	7	9	9	9
Public Safety:										
Sworn Officers	22	22	22	22	22	22	24	26	26	26
Civilian	4	4	4	5	5	5	5	6	6	6
Public Works	6	6	6	6	7	7	7	7	6	6
Cultural & Recreation	4	5	5	5	5	5	6	7	7	7
General Fund	42	43	43	45	46	46	49	55	56	56
Enterprise Fund	8	8	7	8	9	9	9	10	11	11
City Total	<u>50</u>	<u>51</u>	<u>50</u>	<u>53</u>	<u>55</u>	<u>55</u>	<u>58</u>	<u>65</u>	<u>65</u>	<u>65</u>

Source: City of Archdale budget.

This schedule includes only regular full-time employees. During fiscal year 2009 there were also three (3) regular part-time employees in cultural and recreation. In addition, there are many seasonal part-time employees for summer camp and after-school care in the cultural and recreation service area.



**CITY OF ARCHDALE, NORTH CAROLINA**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Municipal Buildings	5	6	6	6	6	7	7	7	7	8
Public Safety:										
Police Vehicles	12	12	17	21	23	25	25	27	27	23
Public Works:										
Streets (Miles-Paved)	41.93	44.02	44.09	44.48	43.86	45.82	45.50	45.61	49.9	48.46
Streets (Miles-Unpaved)	1.03	1.03	1.03	1.03	1.03	1.03	1.70	1.7	2.52	2.52
Sidewalks (Linear Feet)	7,490	7,490	7,490	8,000	8,000	8,000	9,100	9,100	13,147	26,717
Culture and Recreation:										
Park Acreage	48.8	58.6	58.6	73.1	78.9	98.1	101.0	101.0	101.6	101.6
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Ball Fields	2	2	2	2	3	3	3	3	3	3
Playgrounds	3	3	3	3	3	3	3	3	3	3
Picnic Shelters	2	2	2	2	2	2	2	2	2	2
Greenways (Linear Feet)	6,600	6,600	6,600	6,600	6,600	6,600	6,600	10,496	13,301	13,728
Utility System:										
Pump Stations	5	6	6	6	6	6	6	7	9	9

Sources: Various City Departments.  
Miles of Streets from Powell Bill Reports.





# **S. Preston Douglas & Associates, LLP**

CERTIFIED PUBLIC ACCOUNTANTS

## **MEMBERS**

American Institute of CPAs

N. C. Association of CPAs

### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and  
Members of the City Council  
City of Archdale, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of the City of Archdale, North Carolina, as of and for the year ended June 30, 2009, which collectively comprises the City of Archdale's basic financial statements, and have issued our report thereon dated September 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the City of Archdale's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Archdale's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Archdale's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*S. Preston Douglas & Associates, LLP*

September 24, 2009

**CITY OF ARCHDALE, NORTH CAROLINA**

Schedule of Findings

For the Fiscal Year Ended June 30, 2009

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<b>SECTION I. SUMMARY OF AUDITOR'S RESULTS</b>
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**Financial Statements**

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes

\_\_\_\_\_ X \_\_\_\_\_ No

Significant deficiency(s) identified that are  
not considered to be material weaknesses

\_\_\_\_\_ Yes

\_\_\_\_\_ X \_\_\_\_\_ No

Noncompliance material to financial statements noted

\_\_\_\_\_ Yes

\_\_\_\_\_ X \_\_\_\_\_ No

**CITY OF ARCHDALE, NORTH CAROLINA**

Schedule of Findings

For the Fiscal Year Ended June 30, 2009

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<b>SECTION II. FINANCIAL STATEMENT FINDINGS</b>
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None

**CITY OF ARCHDALE, NORTH CAROLINA**

Corrective Action Plan

For the Fiscal Year Ended June 30, 2009

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<b>SECTION II. FINANCIAL STATEMENT FINDINGS</b>
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None Reported

**CITY OF ARCHDALE, NORTH CAROLINA**

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2009

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There were no prior audit findings.